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WORKS

OF

HENRY CLAY

HISTORY OF TARIFF LEGISLATION

BY

WILLIAM McKINLEY

WILLIAM McKINLEY.

WORKS

OF

HENRY CLAY

Comprising His Life, Correspondence and Speeches

EDITED BY

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WITH AN INTRODUCTION BY

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

AND A HISTORY OF TARIFF LEGISLATION FROM 1812 TO 1896 BY

WILLIAM McKINLEY

PRESIDENT OF THE UNITED STATES

COMPLETE IN SEVEN VOLUMES

VOLUME VII

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CHAPTER I.

THE TARIFF IN THE DAYS OF HENRY CLAY AND SINCE

Henry Clay was conspicuously and always a protectionist. As the acquaintance or friend of many of the founders of the Government, and of their immediate successors in office, he learned from them his early lessons in political economy and statesmanship, and profited by their illustrious example. Born in Virginia in 1777, he had revered Washington with the ardor of youth; had become the clerk and protegé of the learned and venerable Chancellor Wythe; and was inspired to his first oratorical efforts by the splendid eloquence of Patrick Henry. Agreeing with the doctrines of Adams and Hamilton, he yet espoused the cause of Jefferson and entered Congress in 1806, during his second term as President. Intimately associated with that great statesman, he participated with Madison, Monroe, and the younger Adams in the administration of the Government, and for forty years earnestly advocated the great principles for which they in common contended.

As Speaker of the House of Representatives he supported the several protective tariff laws—five in number—enacted from July 1, 1812, to February 5, 1816, which enabled the Government to successfully defray the extraordinary expenses of our second war with England. These laws increased the entire list of duties one hundred per cent.; doubled the rates, and placed a

further duty of ten per cent. upon the goods imported in foreign vessels, besides the large tonnage-tax of $1.50 per ton to the vessel. Under such a policy the American market was reserved for the American manufacturer; and, notwithstanding the severe drain and waste of the war, our country emerged from it more prosperous and wealthier than it had been at its beginning.

It was at this period that Mr. Clay embraced with such fervency the advocacy of internal improvements and the firm establishment of the protective theory as the two great essentials of what he termed "the American system." In a speech in January, 1816, he said:

"I would effectually protect our manufactories. I would afford them protection not so much for the sake of the manufacturers themselves as for the general interest."

This was the animating principle of his whole career.

Despite the caution of Mr. Madison against precipitancy,* Congress supplanted these measures with the act of April 27, 1816, greatly reducing the war duties. This bill did not receive the vote or support of Mr. Clay. Its effects were foreseen and deprecated by him, and were described some years later as "most deplorable." "We behold," said he, "general distress pervading the whole country; unthreshed crops of grain perishing in our barns for want of market; an alarming

* In his special message of February 20, 1815, transmitting a copy of the treaty of peace with England, President Madison declared: "There is no subject that can enter with greater force and merit into the deliberations of Congress than a consideration of the means to preserve and promote the manufactures which have sprung into existence and attained an unparalleled maturity throughout the United States during the period of the European wars. This source of National independence and wealth I anxiously recommend, therefore, to the prompt and constant guardianship of Congress."

diminution of the circulating medium; universal complaint of the want of employment, and consequent reduction of the wages of labor. To add to these evils there is, above all, a low and depressed state of the value of almost every description of property in the Nation, which has, on an average, sunk not less than fifty per cent. within a few years."

Col. Benton's picture of the deplorable condition was no less graphic. "No medium of exchange exists," said he, "but depreciated paper; no change even, but little bits of foul paper, marked so many cents, and signed by tradesman, barber, or innkeeper; exchanges deranged to the extent of fifty to one hundred per cent. Distress the universal cry of the people, relief the universal demand thundered at the doors of all legislatures, State and Federal."

Mr. Clay made a gallant effort to enact a more efficient tariff in 1820, and carried his bill through the House, to be indefinitely postponed in the Senate by a single vote. It was at this time that he said:

"The War of the Revolution effected our political emancipation. The late war (1812) contributed greatly to our commercial freedom, but our complete independence will only be consummated after the policy of protection shall be recognized and adopted."

No relief came until the passage of the act of May 22, 1824, which was largely the work of Mr. Clay, and enacted through his controlling skill and genius. This was not a partisan measure, nor was it enacted by sectional divisions in either branch of Congress.

In the House, for example, the bill was supported by such prominent Democrats as James Buchanan, of Penn-

sylvania; Louis McLane, of Maryland, and Samuel Houston, of Texas; in the Senate, by such leaders as Andrew Jackson, of Tennessee, Thomas H. Benton, of Missouri, Martin Van Buren, of New York, and Richard M. Johnson, of Kentucky. It will be observed that in this conspicuous group are three statesmen who each subsequently became President of the United States, and one, Col. Johnson, Vice-President. All gave ardent support to the doctrine of protection as the great essential to our industrial and commercial prosperity.

In the vote on the passage of the bill in the House, New England cast fifteen yeas, twenty nays; the Middle States, sixty yeas, fifteen nays; the South, fourteen yeas, sixty-four nays; and the new States of the West, Ohio, Indiana, and Illinois, eighteen yeas, but not a solitary negative vote. Kentucky, also, under the leadership of Mr. Clay, was a unit in its favor.

It was in the course of this debate that Mr. Clay delivered his celebrated speech of March 31, 1824, which is to this day a strong and effective argument for the protective policy. In discussing the relative advantages of foreign and domestic trade, he said:

"The greatest want of civilized society is a market for the sale and exchange of the surplus of the produce of the labor of its members. This may exist at home or abroad, or both, but it must exist somewhere if society prospers; and wherever it does exist it should be competent to the absorption of the entire surplus of production. It is most desirable that there should be both a home and a foreign market. But, with respect to their relative superiority, I can not entertain a doubt. The home market is first in order and paramount in

importance. The object of the bill under consideration is to create this home market, and to lay the foundations of a genuine American policy. The creation of a home market is not only necessary to procure for our agriculture a just reward for its labors, but it is indispensable to obtain a supply of our necessary wants. If we can not sell, we can not buy. The sole object of the tariff is to tax the produce of foreign industry with a view to promoting American industry."

The effects of this legislation were immediate and gratifying, realizing the predictions of its friends and promoters. Every class felt the revival of business and the general prosperity; the factory, the farm, our shipping, mercantile, commercial, and mining interests all enjoyed the change. Some years later Mr. Clay himself bore eloquent testimony to the improved conditions of the country. In his memorable speech in the Senate on February 2, 1832, he said:

"If I were to select any term of seven years since the adoption of our present Constitution which exhibited a scene of the most undisputed dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824. . . . . If the term of seven years were to be selected of the greatest prosperity which the people have enjoyed, it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824."

With the act of 1828, still further increasing the duties, Mr. Clay had no immediate part, as he was then Secretary of State. In the earlier tariff debates Mr. Calhoun had appeared as a protectionist, and Mr. Web-

ster as his opponent. In 1824 their positions were exactly reversed, and in 1828 Mr. Webster again favored an increase of duties. Most of the distinguished Democrats already mentioned were supporters of the law of 1828, and to their aid that great leader Silas Wright, of New York, contributed the weight of his splendid abilities. Five gentlemen who subsequently became President were recorded on the passage of the act—Van Buren, William Henry Harrison and Buchanan for, and Tyler and Polk against it. Never in any subsequent period of our history have the duties been higher, or the protective principle more rigidly sustained.

The condition of the National finances was eminently satisfactory; the public debt was being rapidly reduced, and the Treasury contained a surplus. Under these conditions, Mr. Clay, again in the Senate, in May, 1830, offered a resolution "for the immediate abolition of all duties on all articles not coming into competition with similar articles made or produced in the United States, except those on wines and silks, which ought to be reduced." This was opposed by Mr. Hayne, of South Carolina, and others, who proposed instead a reduction of all duties, but after much discussion the acts of May 20 and May 29, 1830,—three in all—were passed. The first reduced the imports on cocoa, tea and coffee. The other two, passed May 29th, provided, respectively, for a decrease in the duty on molasses, with a drawback on spirits, and for a reduction of the duty on salt.

No general reduction, however, was made until two years later. Then President Jackson recommended a

revision of the tariff, and on January 9, 1832, Mr. Clay renewed his resolution for a reduction of duties on non-competing articles. The opposition demanded the change of rates to a revenue standard. This Mr. Clay earnestly opposed. In his great speech of February 2, 1832, he said:

"The fall of the protective policy would be productive of consequences calamitous indeed. When I look to the variety of the interests involved, to the number of individuals interested, the amount of capital invested, the value of buildings erected, and the whole arrangement of the business for the prosecution of the various branches of the manufacturing arts which have sprung up under the fostering care of this Government, I can not contemplate any evil equal to the sudden overthrow of all these interests. History can produce no parallel to the extent of mischief which would be produced by such a disaster. The repeal of the edict of Nantes itself was nothing in comparison with it. That condemned and brought to ruin a great number of persons; the most respectable portion of the population of France were condemned to exile and ruin by that measure. But, in my opinion, the sudden repeal of the tariff policy would bring ruin and destruction on the whole population of this country. There is no evil, in my opinion, equal to the consequences which would result from such a catastrophe."

In the same debate he expressed what was to him always a firm conviction when he declared:

"Gentlemen deceive themselves; it is not free trade that they are recommending to our acceptance. It is in effect the British or colonial system that we are in-

vited to adopt, and if this policy prevail, it will lead, substantially, to .the re-colonization of these States, under the commercial dominion of Great Britain."

The result of the contention was the revision of the tariff on the lines proposed by Mr. Clay, as provided in the act of July 14, 1832. The position of Mr. Clay was identical with that of ex-President John Quincy Adams, who, on May 22d, submitted a report to the House from the Committee on Manufactures, ably sustaining the protective policy. In the course of his argument, Mr. Adams said:

"Under that system of policy (the protective) the Nation has risen from a depth of weakness, imbecility, and distress to an eminence of prosperity unexampled in the annals of the world. It was by counter legislation to the regulations of foreign nations that the first operations of the Government of the United States were felt by the people; felt in the encouragement and protection given to their commerce; felt in the fulfillment of the public engagements to the creditors of the Nation; felt in the gradual discharge of the debt of gratitude due to the warriors of the Revolution; felt in the rapid increase of our population, in the constantly and profitably occupied industry of the people, in the consideration and respect of foreign nations for our character, in the comfort and well-being and happiness of the community; felt in every nerve and sinew, in every vein and artery of the body politic."

South Carolina assumed to be greatly offended that the reduction of duties was not much larger, and proceeded to place herself in an attitude of hostility to the General Government by promptly passing a law, commonly

known as the "Ordinance of Nullification," declaring that the new tariff was unconstitutional and void, and should not be collected in that State. Proclamation was made, by the authority of the Legislature, that if the Government of the United States should in any way attempt to enforce the tariff laws by means of its Army and Navy, then "South Carolina will no longer consider herself a member of the Federal Union."

The cause of her advocacy of nullification and secession, however, as Col. Benton observes in his "Thirty Years' View" was really "not the tariff at all, but the institution of human slavery." Mr. Calhoun realized that the policy of protection to home industry was inimical to the employment of cheap or enslaved labor.

President Jackson met the issue boldly, and in February, 1833, secured the passage of what was designated at the time as "the Force Bill," by which he would have undoubtedly secured the collection of the revenues in South Carolina, had the nullification movement not been promptly abandoned. In his efforts for peace and the Union, however, Mr. Clay had meanwhile been active in the attempt to secure the passage of a bill, which, while it would provide a gradual reduction of duties, would still preserve intact the protective system. His ideas were embodied in the bill he introduced in the Senate on February 12, 1833, (which became a law in two weeks, or on February 26th,) that is known as one of the three great "Compromises" with which his name and fame are so inseparably connected.

The friends of Jackson, Clay and Calhoun were for once united in support of the same measure, and it passed the Senate by a vote of twenty-nine to sixteen.

Still some of the strong men of that body, Webster, Benton, the venerable Samuel Smith, of Maryland, and Mahlon Dickerson, of New Jersey, voted against it. A bill to reduce the tariff had previously passed the House but Mr. Clay's bill was accepted by it as an amendment and passed that body immediately by a vote of 119 to 85. Four of the six New England States, and Delaware, New Jersey, and Missouri voted solidly against it and all the Southern members but two for it.

Taking the tariff of 1832 as the basis, the "Clay Compromise" provided for an ultimate reduction of duties on all imports to a uniform level of twenty per cent. ad valorem. One tenth of the excess above twenty per cent was to be taken off on January 1, 1834; one tenth on January 1, 1836; one tenth on January 1, 1838; one tenth on January 1, 1840; three tenths on January 1, 1842, and the remaining three tenths on July 1, 1842. The "compromise" consisted in the swift reduction of duties after January 1, 1842, as a concession to the "Nullifiers," and the slow and gradual reduction prior thereto as a concession to the protectionists.

The new law calmed the excitement in the South, but its effects were otherwise unhappy and disastrous. More than any other one cause it is generally charged that it occasioned the great financial crisis of 1837, a sad period of gloom and disaster almost equal to that which had preceded the enactment of the tariff of 1824.

Mr. Clay believed that experience would, as it did, speedily teach the people a just appreciation of the advantages of protection to home industry. He believed that "the American system would soon become firmly

planted in the bosoms and affections of the people." He had in no sense forsaken his creed; he simply sought to save the protective principle from disuse and abandonment. Never were the policy or opinions of any statesman more completely vindicated.

Within five years a panic swept over the country that almost beggars description for its severity and distress. Not only were manufactures prostrated, but commerce, navigation, mining, and especially agriculture, shared in the general ruin. The scenes Clay and Benton had so vividly portrayed in 1824 were repeated, only as development had increased, the losses now appeared still more frightful. Mortgages were foreclosed and forced sales made in every direction; thousands of able-bodied men were out of work, or toiling at not more than twenty-five cents per day; while other thousands, unable to obtain employment at any price, with their wives and children, were obliged to appeal for charity, and rely upon the free soup-houses, which were established in every city, for the only food they could procure.

Sophistry can not withstand the piercing gaze of public opinion. Theories will not avail against facts. False leaders appealed in vain, but the people attributed their distress in great part to the existing tariff, and when opportunity again came, as it did in the National election of 1840, they overthrew and drove from power, in every branch of the Government, the party they held responsible for it, by most surprising majorities.

As a result of this great revolution, and in obedience to the popular will, President Tyler, although himself a free-trader, felt constrained, on August 30, 1842, to give his assent to another great protective tariff law.

The history of its passage is peculiarly interesting.

The Twenty-seventh Congress was Whig in both branches by a majority of thirty-one on joint ballot—the Senate, Whigs 28, Democrats 22; and the House, Whigs 133, Democrats 108. At the beginning of the session, in December, 1841, Millard Fillmore, the Whig leader of the House, moved the reference of so much of the President's message as related to the tariff to the Committee on Manufactures, the customary and proper reference, to the Committee which had framed all the tariff bills of our earlier Congresses.

Charles G. Atherton, of New Hampshire, the leader of the Democratic side, moved as a substitute to refer it to the Committee on Way and Means. His purpose thereby, as he fully avowed in debate, was that "the revision of duties should be made with exclusive reference to the raising of revenue, and that the protection of our industrial interests should not be considered at all." Even without the final reduction under the Compromise tariff of 1833, which was to occur on July 1, 1842, the revenue was not sufficient for the support of the Government, and Mr. Clay had insisted in the Senate that the duties of necessity must be raised for that object alone to at least thirty per cent. ad valorem.

Mr. Atherton's motion was lost. Seventy-one Democrats and twenty-four Southern Whigs voted in the affirmative, but they were overruled by the negative votes of ninety Whigs and fourteen Democrats—the latter all from Pennsylvania but three. The subject was then referred to the Committee on Manufactures, by whom a bill and report were promptly presented. Hon. Walter Forward, of Pennsylvania, Secretary of the

Treasury, also made an elaborate report, and submitted a bill to Congress, and a third bill and report were subsequently offered by the Senate Committee on Manufactures.

The bills were in accord in recognizing the principle of protection but differed in details. The best features of all three were embodied in a bill that passed the House on July 16th, by the vote 116 to 112. William Parmenter, of Massachusetts, was the only Democrat who voted in the affirmative. Fourteen Whigs and ninety-eight Democrats voted in the negative.

The supporters of the bill included John Quincy Adams, William Pitt Fessenden, Francis Granger, William Cost Johnson, William L. Goggin, Kenneth Rayner, of North Carolina, Nathaniel G. Pendleton and Jeremiah Morrow, of Ohio, Richard W. Thompson and Henry S. Lane, of Indiana, Thomas F. Marshall, of Kentucky, Zadoc Casey, of Illinois, and Jacob M. Howard, of Michigan. It passed the Senate on August 5th—yeas twenty-five, all Whigs; nays twenty-three, all Democrats but three.

To the very general regret and surprise, President Tyler vetoed the bill, because "it did not suspend the distribution of the proceeds of the sales of the public lands among the several States of the Union," which had been provided by an act passed in September, 1841, that he himself had signed. Congress received his message with great indignation and the House attempted to pass the bill over his veto, but this failed for want of the required two-thirds vote.

Another but substantially the same bill was passed by both branches of Congress within the next fortnight

and this, too, was vetoed by Mr. Tyler. His second veto message, on motion of ex-President Adams, was referred to a special Committee of Thirteen, of which Mr. Adams became Chairman, and in such capacity wrote a scathing report against what he characterized as the President's arbitrary and inconsistent actions. He declared that Mr. Tyler ought to be impeached, and this was the general opinion of the Whigs of the country, both in and out of Congress, although they realized that such a thing was impossible.

This report so irritated the President that he sent a protest to the House in which he sought apparently to interfere with its legitimate functions and powers. John Minor Botts, of Virginia, thereupon offered the same resolution* which the Senate had adopted in 1834 (and for which Mr. Tyler had himself voted), in censuring President Jackson for a somewhat similar action. This was adopted by a strictly party-vote—yeas (Whigs), 87; nays (Democrats), 46.

A provisional tariff bill, to supply revenue until something more satisfactory could be agreed upon, was next attempted. In the discussion of this bill in the House, on August 22d, Hon. Thomas T. McKennan, of Pennsylvania, moved to strike out all after the enacting clause, and insert the bill which had been twice

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* The student of history will recall that this was the Senate resolution offered by Mr. Clay in his controversy with President Jackson about the removal of the Government deposits from the United States Bank at Philadelphia. It was adopted by the Senate, on March 28, 1834, by a vote of twenty-six to twenty, and read as follows:

Resolved, That the President, in the late executive proceedings in relation to the public revenue, has assumed upon himself authority and power not conferred by the Constitution and laws, but in derogation of both.

It was for this resolution that Mr. Tyler, then a Senator from Virginia, had voted.

vetoed already, omitting the section regarding the distribution of the proceeds of the sales of land, and the clause imposing a duty of twenty per cent. ad valorem on tea and coffee. He was a new member, but so great was his ability and so persuasive his eloquence, that his motion prevailed and the bill passed the House by the close vote, yeas 105, nays 103. Of the affirmative votes, eighty-five were Whigs, and twenty Democrats, ten of the latter from New York, nine from Pennsylvania, and one from Massachusetts. Of the negative votes, sixty-eight were Democrats, and thirty-five Whigs; some of whom, although staunch protectionists, would not surrender their convictions as to the land controversy in any emergency.

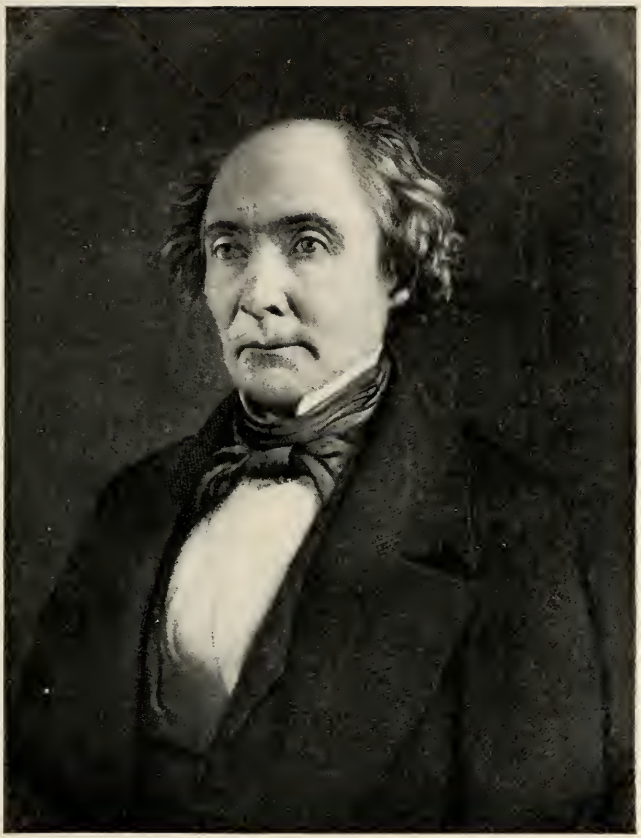
This bill, with some further slight modifications, passed the Senate, on August 27th, by the bare majority of a single vote—yeas, twenty-four; nays, twenty-three. Twenty Whigs and four Democrats (Ruel Williams, of Maine, Silas Wright, of New York, and James Buchanan and Daniel Sturgeon, of Pennsylvania) voted in the affirmative, and fifteen Democrats and eight Southern Whigs in the negative. It numbered among its supporters George Evans, Richard H. Bayard, Rufus Choate, John J. Crittenden, William L. Dayton, and William A. Graham. The House concurred in the Senate amendments, and, to the general surprise, the bill was promptly approved by the President.

The framers of the new law were evidently impressed with the truth of Mr. Clay's wise maxim enunciated when referring in former years to ad valorem duties. "Let me fix the value of foreign merchandise," said he, "and I do not care what your duty is."

Specific duties were substituted for ad valorem as far as possible throughout the whole list. It proved a wise and beneficent measure, even more strongly protective than its friends at first had thought it would be. During the four years it was in operation it raised the country from the depths of financial depression and distress to a condition of confidence and prosperity such as it had not enjoyed since 1832.

So widely popular was the new law that in the Presidential campaign of 1844, the Democrats in the critical Northern States were as earnest and outspoken advocates of it, and the doctrine of protection, as the friends of Mr. Clay. Their candidate for the Presidency, Hon. James K. Polk, of Tennessee, had uniformly voted against protective measures in Congress, but on the other hand Hon. George M. Dallas, of Pennsylvania, the Democratic candidate for Vice-President, had as a Representative been an active supporter of all such bills. It was this fact, more than any other, that led to his nomination.

Indeed, in the exigencies of the campaign, Mr. Polk himself felt constrained to write his friend, Mr. John K. Kane, of Philadelphia, on June 19, 1844, the only avowal of political principles he made "for the public eye" after his nomination. In this letter he declared that he had "voted for the tariff of 1832," the act of all others most offensive to South Carolina, and desired to "afford reasonable incidental protection to home industry" in keeping with "the policy of General Jackson on this subject." "In my judgment," said he, "it is the duty of the Government to extend, as far as it may be practicable to do so, by its revenue laws, and



ROBERT J. WALKER.

all other means within its power, fair and just protection to all the great interests of the whole Union, embracing agriculture, manufactures, and the mechanic arts, commerce and navigation."

By this and similar assurances the fears of the protection wing of the party were put to rest. This was true in Pennsylvania especially, then "the pivotal State" of the Union, for there the efforts of Mr. Dallas and Mr. Buchanan were successful in October, and the prestige of this triumph practically insured the election of Mr. Polk. It was so successful that Mr. Polk not only received majorities in the manufacturing centers of New Jersey, New York and Pennsylvania, as "a better protectionist than Clay," but the planters of Alabama, Georgia and Mississippi were induced to support him with equal unanimity because as the Democratic leaders in those States declared, "Polk was, and always had been, the consistent and uncompromising enemy of the protective policy."

His election accomplished, Mr. Polk called into his Cabinet, as Secretary of the Treasury, Hon. Robert J. Walker, of Mississippi, a zealous free trader, who was willing to go to any extreme in support of his theories. As Senator he had opposed the law of 1842, and was well known to be intent upon its repeal.

The Twenty-ninth Congress, elected in 1844, was Democratic in both branches, so that the Administration could reasonably expect to direct its fiscal legislation. Mr. Walker at once assailed the protective law "given to the country by a Whig Congress" in terms of great severity. He submitted a report upon the tariff in which he arraigned our manufacturers as but

little better than public conspirators, guilty of both deceit and extortion. His report was hailed with delight in England, but found little favor at home.

Richard Cobden declared that "he had never read a better digest of the arguments in favor of free trade than that put forth by Mr. Secretary Walker and addressed to the Congress of the United States." He commended Mr. Polk's annual message of December, 1845, also, and "congratulated his (British) associates that both President Polk and Mr. Secretary Walker had taken the task out of our hands of lecturing to the people of America upon the subject of free trade." Indeed, this was the general opinion of English leaders, so freely declared that the House of Lords ordered the report of Secretary Walker to be printed and distributed throughout the kingdom.

Encouraged and supported by the President, Mr. Walker at length secured not only the repeal of "the odious Whig law," but the enactment of a bill meeting his own views, then and since commonly known as "the Walker tariff." This was not done, however, without disagreement in the Cabinet, heated contests in Congress, and much dissatisfaction among the rank and file of the Northern Democracy.

The vote in the House, on the passage of the bill, July 3, 1846, resulted—yeas, 114; nays, 93. Among those voting in the negative were twenty members from the South, including such Whig leaders as Garrett Davis, of Kentucky; Meredith P. Gentry, of Tennessee; James Graham, of North Carolina; John S. Pendleton, of Virginia; and Robert Toombs and Alexander H. Stephens, of Georgia. These men joined heartily with

such prominent leaders of the North as John Quincy Adams, George Ashmun and Robert C. Winthrop, of Massachusetts; Charles J. Ingersoll and James Black, of Pennsylvania; Jacob Collamer, of Vermont; Caleb B. Smith, of Indiana; Washington Hunt, of New York; and Columbus Delano, Robert C. Schenck and Joshua R. Giddings, of Ohio, in every effort to retard or defeat the bill.

In the Senate, the contest was still more stubborn and uncertain, and is a familiar and memorable incident in the annals of American politics. The body was evenly divided upon it and the Adminstration prevailed in the end only through the action of Vice-President Dallas, who, contrary to his own oft-expressed convictions and life-long affiliations, gave the casting vote in favor of the passage of the bill.

The test vote was taken on July 28th, twenty-seven Senators voting for the bill, and twenty-seven against it. Of those voting in the affirmative, seventeen were from the slave-holding States and ten from the free, all Democrats. Of those voting against the bill eleven were from the South, and sixteen from the North, all Whigs but three—John M. Niles, of Connecticut, and Simon Cameron and Daniel Sturgeon, of Pennsylvania. Despite the attempts to divide the Whigs on sectional lines, some of the strongest leaders of the South stood side by side with Webster, Corwin, Evans, Niles and Cameron in upholding the cause of protection. Crittenden, of Kentucky, Berrien, of Georgia, the Claytons, of Delaware, Mangum, of North Carolina, and Reverdy Johnson, of Maryland, eloquently sustained the policy of their party and good of the country. President Polk

was quick to approve the law, and it went into effect August 30, 1846.

By the new law the duties were for the first time exclusively ad valorem. On articles where the protective principle had directly applied under the old law the duties averaged about twenty-four per cent. It embraced nine schedules, under the headings A to I, respectively. The first schedule, spirits, bore a duty of one hundred per cent.; the second, tobacco, spices, wines, preserved fruits and meats, forty per cent.; the third, rated at thirty per cent. carpets, cotton, silk, linen, wool, glass, leather, sugar, iron, and minor articles; the next four fixed rates at twenty-five, twenty, fifteen, ten, and five per cent. respectively upon the bulk of the merchandise then imported to this country; the remaining schedule was devoted to an enlarged free list. The average duties under the law, on the importations of 1847, were twenty-seven and seven-tenths per cent.; but in 1856 they fell to twenty-one and sixty-eight-hundreths.

It was the boast of the author of this law, and it is to this day claimed by his adherents, that the so-called Walker tariff "remained unchanged for eleven years, during which time the country enjoyed great prosperity; and that it was then voluntarily amended by its friends only in the direction of their well established free-trade policy." While it is a fact that the law was not amended until 1857, it is a matter of dispute whether it brought "prosperity to the country," and it is not true that the people ever gave it their express approval.

Indeed, in the Congressional elections of 1846, when the country was engaged in a foreign war and the patriotic impulses of the people would naturally have

led them to sustain the Administration, so great was the indignation over the new tariff, that a Democratic majority of sixty-two in the House was changed to a Whig majority of three—a clear Whig gain of sixty-five in a total membership of 227. Seldom since has the country witnessed so striking a condemnation of any measure by public opinion.

Again, in the Presidential campaign of 1848, it was due to the tariff policy of the Administration that Pennsylvania gave her electoral vote to Taylor instead of Cass, thereby defeating the latter. The State had been Democratic since the days of Jefferson; it had sustained Jackson; it had voted for Van Buren, in 1836; for Polk, in 1844; and, in 1848, no divisions were apparent within the party on the question of slavery. Yet Taylor carried the State over both Cass and Van Buren by about 2,300 votes, and over Cass alone by 13,500. Had Cass received the electoral vote of Pennsylvania, despite the loss of New York, he would have been elected. In that State, at least, the people did not endorse, or at all approve, of "the noble impulse given to the cause of free trade, by the repeal of the tariff of 1842," commended by the Democratic National platform.

During the National campaigns of 1852 and 1856, and in the Congressional elections of 1850, 1854, and 1858, the constant and exciting contentions over slavery engrossed public attention. No other political issue was discussed, nor was the condition of the business affairs of the country from 1847 to 1856 generally such as to especially excite partisan differences. Anticipating for the moment the passage of the law of 1857, let us consider the claim of the advocates of free trade that this

country enjoyed "unexampled," or "great and exceptional prosperity, from 1847 to 1861," the period when the tariff-for-revenue-only policy held sway in the country.

Simultaneous with President Polk's approval of the Walker bill came the declaration of war with Mexico. This led to the employment of an army of 100,000 men, and the outlay of more than $150,000,000 among the people for its support, above the ordinary expenditures of the Government, during the next two years.

Before this stimulus to our manufactures and trade began to subside, a terrible famine occurred in Ireland. This caused an unprecedented demand for our breadstuffs and brought to the United States extraordinary shipments of specie. Then followed the European revolutions of 1848, by which the trade and manufactures of the entire continent were disturbed, and in some districts suspended. Importations to the United States were stopped, and for the time being our manufacturers enjoyed both the home market and a profitable foreign trade.

Next came the discovery of gold in California, carrying to our Western shores the surplus population of our manufacturing and agricultural districts, and sending back to the East abundant streams of the precious metals. Such a condition was more than accidental—it was in the highest degree fortunate and providential.

During the six years following 1848 it drew to the Pacific Slope from the older States a splendid population of enterprising and vigorous citizens, and added to the wealth of the world more than $640,000,000, in the output of gold alone. With such advantages we

should have become not only immensely wealthy, but amply able to meet every demand of the Government without borrowing a dollar for years to come had we possessed a wise fiscal policy.

But in 1854 the output of gold showed signs of decline and failure, and then, by another of the remarkable incidents of the time influencing our business conditions, the Crimean war broke out—a war between England, France, and Russia, three of the leading powers of Europe and the world. "Confusion worse confounded" reigned in the industrial circles of Europe for the next two-and-a-half years, and during this period the United States enjoyed the richest harvest she had ever before reaped from foreign lands. Our country could hardly have been depressed under such remarkable conditions. But when peace came to Europe, manufacturing was resumed in England and France with greater energy and with more alluring prospects for trade in America than had ever before been known.

Then naturally, and inevitably, with our vastly increased importations, and consequent dependence upon foreign factories, our whole business situation was swiftly changed from apparent prosperity to actual distress. The tariff-for-revenue-only policy rested at length solely upon its own merits. We were as a nation pursuing the hazardous experiment of spending abroad the money we should have kept at home. The gold of California, the largest product of that precious metal so far discovered in any country, was speedily drained by Europe. Within a year after the close of the Crimean war, this country was dis-

tressed and humiliated by the only financial panic it had experienced for twenty years, since the adoption of a somewhat similar tariff policy to that it was then pursuing.

After the Democratic victory in the Presidential campaign of 1856, the administration of Mr. Pierce, under the influence of Secretaries James Guthrie, of Kentucky, and Jefferson Davis, of Mississippi, made haste to secure the passage of an act to still further reduce existing duties. Our importations were already unprecedentedly large, but it was claimed that the revenues were more than the Government required, or could properly apply in its legitimate expenditures, including the payment of the National debt. Accordingly the law of March 3, 1857, was enacted. It passed the House by a vote of 118 to 72, and met with but little opposition in the Senate. The members from the Western States were the most conspicuous of those from any section in speaking and voting against it. Questions of "popular sovereignity" and "free soil for free men" were absorbing the public mind both in and out of Congress. Party lines were not drawn, nor was any general apprehension manifested as to the bad policy of the pending measure. The new duties averaged about nineteen per cent. ad valorem, with abundant loopholes for undervaluation and fraud, and afforded probably less protection than those of any other tariff law in our history.

The immediate effect was an increase in importations, and a heavy drain upon the specie of the country, while there was a marked reduction in the exportation of our agricultural products. A financial crash was

inevitable, and it fell with disastrous force upon the country in the fall of 1857 within six months after the passage of the new law. The panic soon swept over the entire Union, prostrating alike our agricultural, commercial, mining, and manufacturing interests.

The need of relief everywhere was so apparent that President Buchanan in his first annual message, on December 8, 1857, felt constrained to appeal to Congress to do all in its power "to increase the confidence of the manufacturing interests and give a new impulse to business." His description of the condition of the times is so striking that it bears frequent repetition.

"In the midst of unsurpassed plenty in all the productions and elements of National wealth," said he, "we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want." Then came the admission, which has always been made whenever the free trade policy was adopted, that "the same causes which have produced pecuniary distress throughout the country have so greatly reduced the amount of imports from abroad that the revenue has proved inadequate to meet the necessary expenses of the Government."

The stagnation of business and paralysis of trade and enterprise continued during the next four years, with severe and widespread distress, almost as great and exhausting as during the previous low-tariff financial depressions of 1819–'24 and 1837–'42. It was impossible to repeal the new law, even if the Administration had attempted it.

In this period of fifteen years, from 1847 to 1861, inclusive, during which the economic theories of Mr. Walker prevailed, the total receipts from customs were $708,107,973, while the outlays of the Government were $807,133,078. Consequently the expenditures exceeded the receipts by $99,025,105. Thus as strictly revenue measures the laws of 1846 and 1857 were both unsatisfactory. During the eleven years of the continuance of the tariff of 1846, the expenditures of the Government exceeded its receipts $21,790,909. Of this deficit, $8,205,305 occurred during the years 1855, 1856, and 1857; so that when the act of 1857 was passed, it should have been apparent that while the expenditures were constantly increasing, the revenue was steadily diminishing. During the three years named our imports of merchandise exceeded our exports by nearly $123,000,000, while our exports of specie amounted to $132,500,000. During the four years of the operation of the tariff of 1857, the total receipts from customs were $184,125,000, and the expenditures, $261,359,196. Thus the expenditures of the Government exceeded its receipts $77,234,196, and the new law was shown to be even more inadequate for revenue purposes than that of 1846.

Unsupported by the fortunate events which had for ten years given us the appearance of great prosperity, our own vast product of gold, and the benefits accruing to our people by reason of a great foreign war, the system did not sustain itself for a single year. Instead of our having a large balance of trade always in our favor, as should have been conspicuously the case, our foreign imports exceeded our exports of home

products by the tremendous sum of $448,354,907, while the exports of our specie exceeded the imports of money from other countries by the startling aggregate of $406,519,261. Can it be doubted that if the protective policy had been steadily maintained during this period and the duties had remained as fixed by the tariff of 1842, that there would have been not only an abundance of revenue, but that the public debt, principal and interest, would all have been extinguished, and the Treasury able to furnish abundant means to defend the imperiled life of the Nation at the outbreak of the Civil War? Instead, our credit was gone and it was with great difficulty that the Government could borrow money either at home or abroad, and then only by selling our bonds bearing a high rate of interest at a heavy discount. An able financier has stated his confident belief that $200,000,000 in specie, which he declares could readily have been provided by a protective tariff between 1850 and 1860, would have kept the National debt $1,000,000,000 below the vast sum it attained during the war. Certain it is, that with a surplus instead of a deficit in the Treasury, the Nation would not have been put to the shame of "having its paper hawked in the money markets at the usurious rate of one per cent. a month."* Yet to this condition we were reduced under a revenue tariff in the summer of 1860.

Never was there a period in our history in which the free trade policy had so excellent an opportunity to demonstrate its usefulness and adequacy to our industrial and governmental conditions. But, instead of in-

* James G. Blaine.

suring prosperity, it produced universal distress and want; instead of raising money to support the Government, even during a time of peace and wonderful development, the system of duties it provided was utterly insufficient and produced results exactly the opposite of those claimed for it. As soon as the foreign wars ceased, the revenue began to diminish and the expenditures to exceed it, thus creating deficiencies and enforcing loans and increasing our National debt from $15,500,000, in 1846, to $90,580,000, on March 4, 1861.

While it may be claimed that in the Presidential campaign of 1860, the tariff played no decisive part, and that other issues controlled, still at the Republican National Convention, next to the resolutions opposing the spread of slavery into territory then free, the following declaration of the platform is reported to have elicited the most pronounced* applause:

"While providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests of the whole country. We commend, therefore, that policy of National exchanges which secures to the workingman liberal wages, to agriculture renumerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence."

This was accepted then and has always and everywhere since been accepted as a cardinal doctrine in the creed of the Republican party. Seldom, if ever, has it

* Murat Halstead, in the Cincinnati *Commercial*, an eye-witness of all the National Conventions of this year.

been better stated than in these significant sentences. Both wings of the discordant Democracy stood ready to join issue upon the tariff, but it was necessarily of subordinate interest in most of the States. In Ohio, Indiana, Pennsylvania, New York, New Jersey, and Connecticut, however, Republican chances were decidedly benefited by the position of the party on the tariff. Pennsylvania had been carried in 1856 against General Fremont for President, and in 1857 against Hon. David Wilmot, for Governor, directly upon the slavery issue. The majority for Mr. Buchanan had been 82,800; and for Hon. William F. Packer, over Mr. Wilmot, 42,750. It will be remembered that Mr. Wilmot was personally the very embodiment of the anti-slavery issue, and that issue in 1860 was in no respect more favorable to the Republicans, in any of its various phases, than it had been in 1857. Without the discussion of the tariff, it was confidently asserted by men of all parties, that in all probability Pennsylvania would have been lost by the Republicans in October, and that would inevitably have defeated the National ticket in November.

The Republican candidate for Governor, Hon. Andrew G. Curtin, was quick to realize this condition of public opinion. It was very largely due to his effective appeals to the workingmen of the State, that Republican success was assured. In an increased vote, Mr. Curtin carried the State in October by a majority of 32,164, and thus insured it for Mr. Lincoln, who triumphed over all opposing candidates by nearly 60,000. From beginning to end of the campaign Mr. Curtin devoted the greater part of his time to the dis-

cussion of the tariff, and his brilliant victory not only electrified the Republicans of the State and Nation, but clearly demonstrated the strong hold the protective principle had upon the affections of the people.

During Mr. Buchanan's entire term the receipts of the Treasury were insufficient to meet the appropriations of Congress and the Government steadily incurred a large debt. To check this increasing deficit, the House, which was controlled by the Republicans, insisted upon a bill providing a scale of duties which would yield a larger revenue, and on May 10, 1860, succeeded in passing it. This bill had been prepared and reported by Hon. Justin S. Morrill, of Vermont. It met with but little favor on the majority side of the Senate, and was postponed until the next session. At that time, owing to the absence of the Southern members, the whole aspect of affairs was changed. The Republicans suddenly found themselves in control of the Senate, and the bill was favorably reported, with amendments increasing the proposed duties. The Senate passed the bill on February 20, 1861, by a strict party vote—yeas twenty-five, all Republicans; nays fourteen, all Democrats. The South was represented by members from Arkansas, North Carolina, Tennessee and Virginia, and to their negative votes were added those of Stephen A. Douglas, of Illinois, Joseph Lane, of Oregon, and other Northern Senators. The test vote in the House was taken February 27th, and resulted in favor of the bill—yeas, 102; nays, 43. Of those in opposition, twenty-eight were from the South and fifteen from the North. Seven prominent Southern leaders, noted for their subsequent devotion to the

Union, voted for it. The Administration was within forty-eight hours of its close, when on March 2, 1861, Mr. Buchanan approved the law. In his earlier career he had consistently upheld the protective doctrine, and now doubtlessly welcomed the opportunity to again record himself in its favor.

CHAPTER II.

The Thirty-seventh Congress convened in special session on July 4, 1861. It was Republican in both branches. Perhaps no legislative body ever enacted so many important and beneficial laws in a single short session, ending August 6th. It met President Lincoln's demand for $400,000,000 and 400,000 men bravely, and all its measures for the prosecution of the war were signally successful. It initiated many legislative departures, and its work will remain the admiration of the student and model of the legislator.

The "Morrill tariff," so called, had gone into effect on April 1st, and was amply sustaining the hopes of its enactors and friends. It not only provided an increased rate of duties, but it authorized the payment of outstanding Treasury notes, and a loan of $10,000,000. It met the exigencies so well that a general revision was not attempted at the extra session. By the law of August 5, 1861, however, the dutiable list was extended, as Thaddeus Stevens, of Pennsylvania, Chairman of the House Ways and Means Committee, estimated, so as to add annually about $22,500,000 to the revenue. Its scope was again extended at the regular session, by the act of December 24, 1861. Under this, the duties on tea, coffee and sugar were increased, directly as a war measure. General tariff acts increasing the duties, and rendering more certain their prompt

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and easy collection were also passed with comparatively little opposition on July 14, 1862, June 30, 1864, and March 3, 1865.

The law of 1862 was especially effective. Not only did it practically shut out ruinous competition by foreign manufacturers, but it provided an internal revenue that in 1866 reached the stupendous aggregate of over $309,000,000, or a million dollars for each working day in the year. The tax on incomes provided by it yielded $72,982,000, or more than the entire receipts of the United States Government for all purposes in any year of our history prior to the outbreak of the Civil War.

Perhaps the law encountering greatest resistance was that of 1864. This was determinedly opposed by the Democratic leaders, but passed the House, on June 4th, by a vote of 81 to 26, and the Senate, on June 17th, by 22 to 5. The returns from these measures were in the highest degree satisfactory. The receipts from customs from the beginning to the close of hostilities, and for the years immediately succeeding the war, were far greater than had been expected. In 1862 they exceeded $49,000,000; in 1863, $69,000,000; in 1864, $102,316,000; and in 1865, about $85,000,000. In 1866, at the dawn of peace, the customs receipts increased to $179,000,000, or more than twice as great a sum as had ever been raised in any year by any previous tariff, revenue or protective, in our entire history. In 1867 the receipts were $176,417,000; in 1868, $164,464,000; in 1869, $180,048,000; and in 1870, $194,538,000. Equally vast or greater sums were collected by the Government from internal taxes, under authority

of these acts, increasing annually from $37,640,000, in 1862, to $309,226,000, in 1866.

As soon as our great armies had been disbanded, however, the Republican leaders in Congress began at once to discuss measures for reducing the volume of direct taxation, and, as far as possible, to limit the expenditures of the Government to its resources from customs dues and a tax on spirits and tobacco. By the acts of July 13, 1866, and March 2, 1867, reductions in internal taxes were made amounting to $105,000,000. Reductions were made in the taxes upon about four hundred articles of manufacture, on saving banks, and the gross receipts of corporations, the aim being to reduce the total internal revenue to an amount not exceeding $265,000,000 per annum, making due allowance for the increase of business and growth of the country. The receipts for 1867 exceeded this amount by but $100,000, yet Congress, by the act of March 2, 1867, removed $40,000,000 in taxes: $19,500,000 from incomes, $4,000,000 from clothing, $3,500,000 from woolens, $3,250,000 from leather, $1,000,000 from steam engines, and various other lesser amounts.

The Fortieth Congress continued the work of reducing the "war taxes" with great alacrity. A tax on raw cotton had been levied in 1863 and was continued until 1868, the Government realizing from it about $68,000,000. This was repealed, and a further reduction of internal revenue was made by the acts of March 31, and July 30, 1868. Relief was given to manufacturers by the abolition of what was known as "the five per. cent tax" on a variety of products, the revenue from which was estimated at $45,000,000.

The financial legislation of the time was comprehensive and able. Within four years after the close of the Civil War the National debt was reduced nearly $300,000,000, and steps were taken looking to its speedy payment and extinction, instead of perpetuation, as in the case of the great nations of Europe. This was done, too, notwithstanding a steady and enormous reduction of the internal revenue, which, in 1869, was $151,000,000 less than in 1866. Our protective system remained unimpaired and was fulfilling every expectation of its friends although the free traders were already beginning to assault it.

The Republican National Convention of 1868 declared that "it is due to the labor of the Nation that taxation should be equalized and reduced as rapidly as the National faith will permit." The Democratic National Convention, on the other hand, declared, with traditional reverence, in favor of "a tariff for revenue upon foreign imports;" and then added the anomalous provision, "and such equal taxation under the internal revenue laws as will, without impairing the revenue, impose the least burden upon and best promote and encourage the great industrial interests of the country." So far as this could be construed into any definite policy it was a preference for internal taxation instead of customs dues. To this the Republicans of the country were decidedly opposed.

At the first session of the Forty-first Congress, on March 29, 1869, Hon. George W. Morgan, of Ohio, offered a resolution instructing the Ways and Means Committee of the House to report a bill "to exempt salt, tea, coffee, sugar, matches, and tobacco from every species

of taxation for Federal purposes." Mr. Hooper, of Massachusetts, moved that it be laid on the table, which was agreed to—yeas, 104; nays, 40. The affirmative vote was exclusively Republican, and the negative exclusively Democratic, except one.

At the second session of this Congress, on January 31, 1870, Hon. Samuel S. Marshall, of Illinois, offered a resolution in the House declaring that "the Constitution does not include or embrace any power to levy duties for any purpose other than the collection of revenue, and that a tariff levied for any purpose other than revenue is unjust to the body of the American people." On motion of Mr. Kelsey, of New York, the resolution was laid on the table—yeas, 90; nays, 77. The affirmative vote was entirely by Republicans; the negative, Democrats 52, Republicans 25.

On March 14th, Mr. Marshall again offered a resolution declaring "that no duty should be imposed on any article above the lowest rate which will yield the largest amount of revenue." It was referred to the Committee on Ways and Means.

On June 6th, Hon. Hamilton Ward, of New York, submitted a resolution directing the Committee on Ways and Means "to report a bill abolishing the tariff on coal." This was adopted by a vote of 112 to 78, seventy-six Republicans and thirty-six Democrats voting in the affirmative, and sixty-one Republicans and seventeen Democrats in the negative.

On June 27th, Hon. Henry A. Reeves, of New York, moved that the Committee be instructed to report a bill "reducing the present duties on all classes of salt fifty per cent." His resolution was adopted by a vote

of 110 to 49; fifty-seven Republicans and forty-three Democrats in the affirmative, and forty-nine Republicans in the negative.

On July 14, 1870, President Grant approved the general tariff act which was passed by Congress at this session. It reduced the revenue from customs about $27,000,000, and from internal revenue some $53,000,000, according to the estimate of Hon. Robert C. Schenck, of Ohio, then Chairman of the Ways and Means Committee of the House, and one of the most capable and popular leaders in Congress. To his industry, ability and eloquence the country is especially indebted for the maintenance of our protective system. Upon few statesmen of the period devolved such weighty responsibilities, cheerfully and creditably borne in every emergency. The bill passed the House, on June 6th, by a vote of 152 to 35, fifteen Democrats voting in the affirmative, and two Republicans in the negative. It passed the Senate, as amended, on July 5th, yeas, 43; nays, 6; two Democrats voted for the bill, and one Republican against it. The House concurred in the Senate amendments to abolish all special taxes (such as the tax on passports) and fix the income tax at two-and-a-half per cent. The bill then went to a Conference Committee consisting of Senators Sherman, of Ohio, Morrill, of Vermont, and Hamilton, of Maryland, and Representatives Schenck, of Ohio, Kelley, of Pennsylvania, and James Brooks, of New York. Their report was submitted on July 13th, adopted by the Senate without division, and by the House by a vote of 144 to 49.

The duties on tea, coffee and sugar, and some articles of steel and iron were reduced, but neither salt nor coal

was put on the free list. The country did not accept the bill without misgivings that Congress, in its haste to reduce taxation, had failed to give sufficient regard to the prospective needs of the Government.

President Grant, with the common sense for which he was proverbial, promptly announced his opposition to all covert attacks upon our protective system. Discussing the insidious pleas for "revenue reform," which free traders were making, in his annual message to Congress, December 5, 1870, he said:

"If it (revenue reform) implies a collection of all the revenue for the support of the Government, for the payment of principal and interest of the public debt, pensions, etc., by directly taxing the people, then I am against revenue reform, and confidently believe the people are with me. If it means failure to provide the necessary means to defray all the expenses of the Government, and thereby the repudiation of the public debt, and of pensions, then I am still more opposed to any such kind of revenue reform. Revenue reform has not been defined by any of its advocates, to my knowledge, but seems to be accepted as something which is to supply every man's wants without any cost or effort on his part. A true revenue reform can not be made in a day, but it must be the the work of National legislation, and of time. As soon as the revenue can be dispensed with, all duty should be removed from coffee, tea and other articles of universal use not produced by ourselves. The necessities of the country compel us to collect revenue from our imports. An army of assessors and collectors is not a pleasant sight to the citizen, but that, or a tariff for revenue is necessary. Such a tariff,

so far as it acts as an encouragement to home production, affords employment to labor at living wages, in contrast to the pauper labor of the Old World, and also in the development of home resources."

Hon. William D. Kelley, of Pennsylvania, offered a resolution in the House, on December 12, 1870, declaring that "the true principle of revenue reform points to the abolition of the internal revenue system and retention only of taxes on distilled spirits, tobacco, and malt liquors, so long as the legitimate expenses of the Government require the collection of any sum from internal taxes." He moved a suspension of the rules, which was agreed to, and the resolution was adopted almost unanimously—yeas, 168; nays, 6.

In his third annual message to Congress (December 4, 1871), President Grant again discussed the propriety of a revision of the tariff. In this he said:

"The prosperity and greatness of a nation is to be found in the elevation and education of its laborers. . . . . In readjusting the tariff I suggest that a careful estimate be made of the amount of surplus revenue collected under the present laws, after providing for the current expenses of the Government, the interest account, and a sinking fund, and this surplus be reduced in such a manner as to afford the greatest relief to the greatest number. There are many articles not produced at home, but which may enter largely into general consumption through articles which are manufactured at home, such as medicines compounded, etc., from which very little revenue is derived, but which enter into general use. All such articles, I recommend to be placed on the "free list." Should a

further reduction prove advisable, I would then recommend that it be made upon those articles which can best bear it without disturbing home production or reducing the wages of American labor."

On March 13, 1871, in the Forty-second Congress, at its first session, Hon. Samuel J. Randall, of Pennsylvania, who was afterwards to figure so prominently in tariff legislation, moved to suspend the rules and put upon its passage a bill to comply with the recommendations of President Grant by placing tea and coffee on the free list. This was agreed to, and the bill passed—yeas, 140; nays, 48, nine Democrats and thirty-nine Republicans voting in the negative. The Senate did not act on this bill until more than a year later, when, on April 30, 1872, Mr. Scott, of Pennsylvania, called it up, and submitted an amendment to the effect that "all tea and coffee in public stores or bonded warehouses on July 1st should be free of duty, and that a rebate should be granted on that which had previously paid a duty." This was agreed to, but amendments to further extend the free list, so as to include salt, and other articles, were defeated. The bill was then passed —yeas, 39; nays, 10, four Democrats and six Republicans voting in the negative. The Senate amendments were concurred in by the House, and the act was approved by President Grant on May 1st. The reduction in revenue by it amounted to $20,000,000 per annum.

The temper of the times suggested many experiments. On March 13, 1871, Hon. John F. Farnsworth, of Illinois, moved to suspend the rules of the House and pass a bill providing that "no tax or duty shall be levied or

collected upon foreign coal." This was agreed to, and the bill was passed—yeas, 130; nays, 57. Twelve Democrats voted in the negative. The Senate took no action on the bill.

On the following day, Hon. Eugene Hale, of Maine, moved to suspend the rules, and pass a bill "placing salt on the free list." This was agreed to, and the bill was passed—yeas, 147; nays, 46. Seven Democrats and thirty-nine Republicans voted in the negative. The Senate did not consider the bill.

On March 27th, Hon. Ellery A. Hibbard, of New Hampshire, offered a resolution, which was referred to the Committee on Ways and Means, without contest, declaring that "the tariff should be so reformed as to be a tax for revenue only, and not for the protection of class interests at the general expense." On the same day, Hon. Hosea W. Parker, of the same State, offered a resolution declaring it the sense of the House "that the tariff should be so reformed as to be a tax for revenue only." This, too, was referred to the Committee on Ways and Means—yeas, 98; nays, 18—a strict party vote, except seven Democrats voted for the reference, and five Republicans against it.

On April 10, 1871, Hon. William D. Kelley, as in the previous Congress, offered a resolution declaring that "the true principle of revenue reform points to the abolition of the internal revenue system." It was adopted —yeas, 130; nays, 21, eight Republicans voting in the negative.

On February 19, 1872, Hon. Eugene Hale moved to suspend the rules and pass a bill placing coal and salt on the free list, but the motion did not receive the

necessary two-thirds vote—yeas, 102; nays, 86. Sixteen Democrats voted against, and thirty-seven Republicans for suspending the rules.

On February 26th, Hon. Samuel S. Cox, of New York, moved to suspend the rules and pass a bill "reducing the tariff on pig-iron to five dollars per ton, or less," but the motion was lost—yeas, 74; nays, 99. All the affirmative votes but eleven were cast by Democrats and all the negative but eleven by Republicans.

At this session, under the act of March 5th, Congress repealed all internal taxes on canned meats, fish, fruits, and vegetables. By the general tariff act of June 6, 1872, also passed at this session, many changes were made in existing duties. A reduction of ten per cent. was made in the duties on all importations of cotton, wool, iron, steel, paper, straw, rubber, glass and leather, with numerous specific changes, and a large addition to the free list. This bill passed the House on May 20th—yeas, 149; nays, 61—and the Senate, as amended, on May 31st, with but three dissenting votes, all Republicans. The report of the Committee of Conference was quickly agreed to, and the bill promptly signed by the President. Under these acts, and that of May 1st, the reduction in internal taxes was about $21,131,000, and the decrease in customs about $44,000,000.

The Liberal Republican platform of 1872 subsequently adopted by the Democratic National Convention declared: "That recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade, we remit the discussion of the subject to the people in their Congressional districts, and the decisions

of Congress thereon, wholly free from executive interference, or dictation."

The Republican National Convention met the issue more boldly. It declared: "That revenue, except so much as may be derived from a tax upon tobacco and liquor, should be raised by duties upon importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor, and in promoting the industries, prosperity, and growth of the whole country." Upon this platform the Republicans won an unprecedented victory, and carried the Forty-third Congress by an overwhelming majority.

In his fifth annual message to Congress, on December 1, 1873, President Grant devoted considerable attention to the consideration of our National finances. His observations, in part, were as follows:

"The receipts of the Government from all sources for the last fiscal year were $333,738,204, and the expenditures on all accounts $290,345,245, thus showing an excess of receipts over expenditures of $43,393,959. But it is not probable that this favorable exhibit will be shown for the present fiscal year. Indeed, it is very doubtful whether, except with great economy on the part of Congress in making appropriations and the same economy in administering the various departments of Government, the revenue will not fall short of meeting actual expenses, including interest on the public debt.

"The revenues have materially fallen off for the first five months of the present fiscal year from what they were expected to produce, owing to the general panic now prevailing, which commenced about the middle of

September last. The full effect of this disaster, if it should not prove a "blessing in disguise," is yet to be demonstrated. In either event it is your duty to heed the lesson, and to provide by wise and well considered legislation, as far as it lies in your power, against its recurrence, and to take advantage of all benefits that may have accrued. My own judgment is that, however much individuals may have suffered, one long step has been taken toward specie payment, that we can never have permanent prosperity until a specie basis is reached, and that a specie basis can not be reached and maintained until our exports, exclusive of gold, pay for our imports, interest due abroad, and other specie obligations, or so nearly so as to leave an appreciable accumulation of the precious metals in the country from the products of our mines. . . . In further connection with the Treasury Department I would recommend a revision and codification of the tariff laws, and the opening of more mints for coining money, with authority to coin for such nations as may apply."

In the House of Representatives, on January 12, 1874, Mr. Kelley, of Pennsylvania, moved to suspend the rules and adopt a resolution declaring "that the taxes which now burden the people should not be increased; but the support of the Government during the present temporary paralysis in the industries of the country should be met by a temporary loan or loans." The motion was disagreed to, two-thirds not voting in the affirmative—yeas, 154; nays, 83. Fifty-six Democrats and ninety-eight Republicans voted to suspend the rules; and twenty Democrats and sixty-three Republicans against it.

On the same day, Hon. William S. Holman, of Indiana, offered the following resolution:

"*Resolved,* That in the judgment of this House there is no necessity for increased taxation or for an increase of the public debt by a further loan if there shall be severe economy in the public expenditures; and in view of the condition of the National finances this House will reduce the appropriations and public expenditures to the lowest point consistent with a proper administration of public affairs."

The rules were suspended and it was adopted by a vote of two hundred and twenty-two to three.

Hon. Joseph R. Hawley, of Connecticut, offered a fitting supplement to this resolution which was also adopted. It declared that—

"The expenditures of the Nation can and should be so reduced and regulated that they can be met by the existing taxes, and in no event should there be an increase of either interest-bearing or non-interest-bearing obligations of the Government."

These resolutions had reference, of course, to the so-called "panic of 1873," and the financial depression which followed. The causes that produced this financial disturbance were not connected with our revenue system. They were the necessary and logical effects of the war, and the long period of speculation and inflation attendant upon it. Wise financiers foresaw and predicted it, and had the contraction policy been adopted by Congress, the crash would have been precipitated upon the country at an earlier day and with greater severity. The protective policy retarded and mitigated our monetary evils, and

there were fewer suspensions of factories, lighter reductions in wages, less distress on the farm, and a smaller proportionate shrinkage of values, the country over, than had occurred in any of our previous great financial depressions. Moreover, the country emerged from it more promptly, and in a more prosperous condition, than in any other panic. Depreciation in values and failures in business were unavoidable, but the expansion and development which followed the resumption of specie payment, and the close of the panic, were on a surer and safer basis than ever before had been attained in the fiscal history of the United States.

By the acts of May 9, and June 22, 1874, further reductions and modifications in customs duties were made, amounting in the aggregate to from $6,000,000 to $10,000,000. The passage of these laws was untimely and they were evidently not satisfactory, if we may judge from President Grant's sixth annual message to Congress, on December 7, 1874. In this he said :

"At the last session of Congress a very considerable reduction was made in the rates of taxation and in the number of articles submitted to taxation. The question may well be asked whether or not, in some instances, unwisely. In connection with this subject, too, I venture the opinion that the means of collecting the revenue, especially from imports, have been so embarrassed by legislation, as to make it questionable whether or not large amounts are not lost by failure to collect, to the direct loss of the Treasury, and to the prejudice of the interests of honest importers and taxpayers."

In compliance with these suggestions, Congress, by the acts of February 8, and March 3, 1875, increased the

taxes on liquors and tobacco, and the duties on sugar and molasses. The ten per cent. decrease of duties, provided by the act of June 6, 1872, was repealed.

The House of Representatives in the Forty-fourth Congress for the first time since the war was strongly Democratic, containing 168 Democrats in a total membership of 293. It organized by electing Hon. Michael C. Kerr, of Indiana, Speaker, who appointed Col. William R. Morrison, of Illinois, Chairman of the Ways and Means Committee. Mr. Kerr's health was so poor, however, that he died a few days after the adjournment of the first session, and was succeeded as Speaker by Hon. Samuel J. Randall, of Pennsylvania. The Senate remained Republican by forty-two to thirty-two.

To this Congress, President Grant addressed his seventh annual message, December 7, 1875. Speaking of the tariff, he said:

"One measure for increasing the revenue—and the only one I think of—is the restoration of the duty on tea and coffee. These duties would add probably $18,000,000 to the present amount received from imports and would in no way increase the price paid for these articles by the consumers. These articles are the products of countries collecting revenue from exports, and as we, their largest consumers, reduce the duties, they proportionately increase them. With this addition to the revenue, many duties now collected, and which give but an insignificant return for the cost of collection, might be remitted, and to the direct advantage of consumers at home."

At the first session of this Congress, on January 31, 1876, Mr. Morrison, of Illinois, introduced a bill for the

revision of the tariff. It reduced the rates on almost the entire dutiable list except cigars (on which the duty was increased) and reimposed a duty upon tea and coffee. The bill was referred to the Committee on Ways and Means, and on May 25th, the House, in Committee of the Whole, began its discussion. Mr. Morrison opened the debate, which continued at intervals until June 2d, when it was postponed to the next session, but the bill never came to a direct vote at any stage of the proceedings.

On May 29th, Hon. Charles H. Adams, of New York, offered a resolution, declaring it the judgment of the House "that legislation affecting the tariff is at this time inexpedient." The main question was ordered, but Mr. Morrison secured a reconsideration by a vote of 120 to 94, and had the resolution referred to the Committee on Ways and Means. Eight Republicans and Independents voted with the Democrats for the reference, and nineteen Democrats and Independents with the Republicans against it. No tariff legislation was further attempted during the session.

The tariff was a platform issue of the Presidential campaign of 1876, but received comparatively little attention from the press or the masses of the voters of either party. At the Republican National Convention in Cincinnati, on June 14th, it was unanimously resolved:

"That the revenue necessary for current expenditures, and the obligations of the public debt, must be largely derived from duties upon importations, which, so far as possible, should be adjusted to promote the interests of American labor and advance the prosperity of the whole country."

At the Democratic National Convention in St. Louis,

June 27th, the platform was adopted by a vote of 651 to 83. The eleventh plank of this lengthy "declaration of principles" is as follows:

"We denounce the present tariff, levied upon nearly 4,000 articles, as a masterpiece of injustice, inequality and false pretence. It yields a dwindling, not a yearly rising, revenue. It has impoverished many industries to subsidize a few. It prohibits imports that might purchase the products of American labor. It has degraded American commerce from the first to an inferior rank on the high seas. It has cut down the sales of American manufacturers at home and abroad, and depleted the returns of American agriculture—an industry followed by half our people. It costs the people five times more than it produces to the Treasury, obstructs the processes of production, and wastes the fruits of labor. It promotes fraud, fosters smuggling, enriches dishonest officials, and bankrupts honest merchants. We demand that all custom-house taxation shall be only for revenue."

The House of Representatives of the Forty-fifth Congress, elected in 1876, was again Democratic, the majority party electing 153 of the 293 members. The Senate was Republican by the narrow margin of two votes—Republicans, 39; Democrats, 36; Independents, 1. Hon. Samuel J. Randall was re-elected Speaker of the House, and by his appointment Hon. Fernando Wood, of New York, became Chairman of the Ways and Means Committee.

On December 1, 1877, at the very beginning of the session, Hon. Roger Q. Mills, of Texas, moved to suspend the rules and adopt a resolution "instructing the

Committee on Ways and Means to so revise the tariff as to make it purely and solely a tariff for revenue, and not for protecting one class of citizens by plundering another." The motion was disagreed to—yeas, 67, all Democrats but six; nays, 76, all Republicans but ten.

Nevertheless, the Committee on Ways and Means promptly reported a tariff bill materially reducing existing duties, and especially crippling the steel and iron, glass and pottery industries. On March 28, 1878, Mr. Wood moved that his bill be made the special order for April 4th, which was objected to, but the motion prevailed by a vote of 137 to 114—fifteen Republicans voting in the affirmative and ten Democrats in the negative. The discussions in the Committee of the Whole were decidedly adverse to the bill. It was shown that there was no popular demand for such legislation, but on the contrary that the workingmen of the country by the thousands had not only remonstrated against the pending measure, but insisted rather on an increase of the duties. There was no plethora in the revenue nor surplus in the Treasury justifying its passage. Indeed, the experts of the Treasury estimated that the revenue to be derived under the bill, on the basis of the importations of 1877, would be insufficient to support the Government, and result in a deficiency of at least $9,000,000 annually. The Committee of the Whole House therefore agreed to recommend the defeat of the bill. The question of "striking out the enacting clause" came to a vote in the House on June 5th and the recommendation of the Committee was sustained—yeas, 134; nays, 120. Nineteen Democrats voted in the affirmative and six Republicans in the negative, while fourteen Republicans

and twenty-two Democrats did not vote. Thus ended another assault on our protective system, but, as Mr. Wood declared, in anticipation of an adverse result, "the fight had only just begun."

In the election of 1878 the Democrats carried the House of Representatives in the Forty-sixth Congress, and the Senate was also Democratic, that party having succeeded in electing forty-two of the seventy-six members. In accordance with the call of President Hayes, Congress convened in special session on March 18, 1879. Mr. Randall was again elected Speaker and Mr. Wood re-appointed Chairman of the Committee on Ways and Means, with such prominent free-trade "tariff reformers" as Messrs. Tucker, of Virginia, Morrison, of Illinois, Mills, of Texas, and Carlisle, of Kentucky, as his associates.

On June 30, 1879, Hon. James W. Covert, of New York, moved to suspend the rules of the House and pass a bill "to put salts of quinine on the free list." There was little opposition to the motion, and the bill passed by a vote of 125 to 33. It passed the Senate, on July 1st, without division, and was promptly approved by the President.

In the House, on January 12, 1880, Hon. William H. Hatch, of Missouri, moved to suspend the rules and pass a bill providing that "no duty shall be levied or collected, directly or indirectly, on the importation of salt," but it was disagreed to—yeas, 115; nays, 116. Sixteen Republicans voted in the affirmative, and fifteen Democrats in the negative.

On March 1st, Hon. William M. Lowe, of Alabama, introduced a bill to provide for refunding the cotton tax,

collected during the war, to the States from which it was collected. It was referred to the Committee on Ways and Means—yeas, 136 (Republicans 103, Democrats and Nationalists 33); nays, 92, (Democrats 89, Nationalists 3)—and was never subsequently reported.

On March 8th, Hon. William J. Samford, of Alabama, introduced two bills affecting the tariff. The first proposed a reduction of fifty per cent. on merchandise composed of "hemp, metals, wool, wood and cotton;" the second, the repeal of all duties on "printing-type and paper, and the materials entering into their composition." He asked their reference to the Committee on Revision of Laws, but this was disagreed to, and the bills were sent to the Committee on Ways and Means, by the test vote of 114 to 87. One hundred and seven Republicans and thirty-seven Democrats voted for the latter reference; and seven Republicans and eighty Democrats against it. On the same day Mr. Hatch's "free salt bill" was referred to the Ways and Means Committee, the Republicans generally favoring and the Democrats opposing the reference.

On March 22nd, Hon. Richard W. Townshend, of Illinois, introduced a bill to abolish "the duty on salt, printing-type, printing-paper, and the chemicals and materials used in the manufacture of printing-paper," and secured its reference to the Committee on Revision of Laws. On the next day General Garfield moved "to amend the journal so as to refer it to the Ways and Means Committee." A bitter parliamentary fight ensued, lasting several days, in which the opponents of the bill were finally successful, the reference to the

Ways and Means Committee being ordered by a vote of 142 to 90. All the negative votes were cast by Democrats, with the exception of three Nationalists.

On April 5th, Mr. Townshend moved to suspend the rules and discharge the Committee on Ways and Means from the further consideration of this bill. This was disagreed to by a vote of 112 to 80.

On May 11th, Mr. Tucker, from the Ways and Means Committee, reported a bill "to regulate the duties on hoop, band, and scroll iron," which, with the accompanying report, was referred to the Committee of the Whole House. Mr. Garfield, of Ohio, submitted a minority report, signed by himself and the other Republican members of the Committee. No other action was taken upon the measure.

Mr. Tucker reported a second bill "to regulate the customs duties on sugar," and it, too, was referred to the Committee of the Whole, without any further action by the House. He also reported a third bill, commonly known as "the general tariff bill," but styled by the Committee as a bill "to regulate the customs duties on certain articles therein named." On May 24th, Mr. Garfield submitted an exhaustive minority report embracing the views of himself and colleagues not only upon "the Tucker bill," but upon the tariff in general. It was widely circulated in the National campaign of that year as a campaign document—peculiar interest attaching to its author, then the Republican candidate for the Presidency.

On June 8th, Mr. Tucker reported a House joint resolution from the Committee on Ways and Means relative to the duty on hoop-iron, which after some objec-

tion was adopted on a viva voce vote. It was reported, on June 10th, by the Finance Committee of the Senate, and adopted by that body, again without division, and by the approval of President Hayes had the force and effect of law.

Pending the resolution for final adjournment, Mr. Mills moved that it be recommended to the Ways and Means Committee with instructions to report a bill providing for the "free importation of salt and printing-paper before they report a resolution for adjournment." This was disagreed to—yeas, 90, all Democrats but eleven; nays 116, all Republicans but thirty-one.

The discussions of the Senate were principally over the bill introduced by Hon. William W. Eaton, of Connecticut, "to provide for the appointment of a Commission to investigate the tariff, a final report to be made in January, 1881." This was passed on June 3, 1880, by a vote of thirty-one to fifteen. The affirmative vote was cast by sixteen Democrats and fifteen Republicans; the negative entirely by Democrats. The bill was not considered by the House.

At the third session of this Congress, on December 6, 1880, Hon. Frank H. Hurd, of Ohio, offered a House joint resolution proposing, to the end that the tariff should be for revenue only, the following changes:

1. "Upon all dutiable articles producing little or no revenue to the Government the duty should be returned to a revenue basis, or they should be placed on the free list."

2. "The duty on tea and coffee should be restored."

The resolution was referred to the Ways and Means Committee, but although subsequently supported by

Mr. Hurd in a speech to the House no vote was taken upon it.

On December 21st, Hon. Hiram Price, of Iowa, moved to suspend the rules of the House and pass a bill repealing the law "requiring stamps on bank checks." The motion was lost—yeas 129, nays 68, not the requisite two-thirds in the affirmative. Seven Republicans voted with the Democrats in the negative.*

Thus after six years' agitation the situation as to the tariff was practically unchanged. By the acts of June 22, 1874, of February 8, and March 3, 1875, of July 1, 1879, and June 14, 1880, the Income Tax had been abolished, the Match Tax repealed, and various changes made in the assessment and collection of internal revenue, but while this was true the aggregate receipts from customs and internal revenue were practically the the same—$265,513,000, in 1874, and $310,531,000, in 1880. Meanwhile the country amid unexampled embarrassments had attained a prosperity greater than it had ever before enjoyed. So great was the prosperity that the Republican party, at its National Convention at Chicago, in June, 1880, could truthfully congratulate the people upon the marvelous success of its fiscal policy. Never before could any political organization, appealing to the record, safely assert that its achievements included such great events as the following, which were enumerated by the platform, subsequently endorsed by the country:

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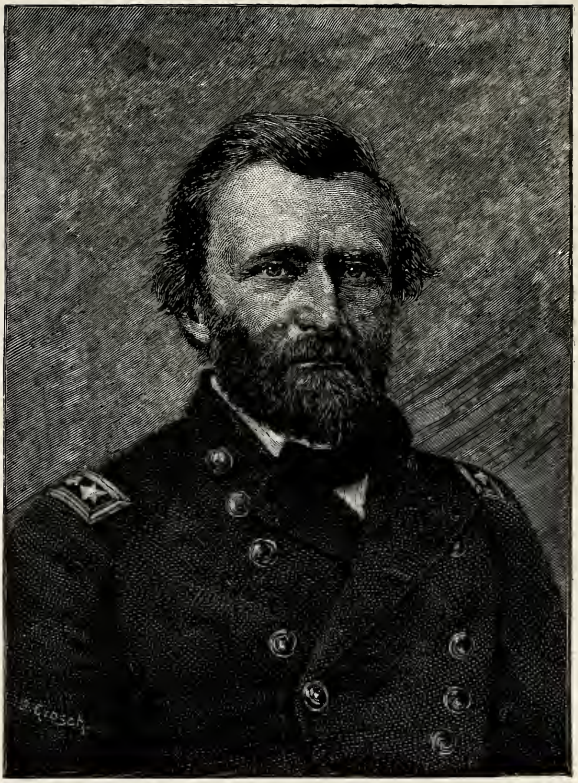
* Upon the death of Hon. Fernando Wood, February 14, 1881, Mr. Tucker became Chairman of the Ways and Means Committee. Hon. James A. Garfield, of Ohio, having been elected to the Presidency, and resigned from the House, Mr. McKinley, of the same State, succeeded him as a member of this Committee in December, 1880.

"It (the Republican party) has raised the value of our paper currency from thirty-eight per cent. to the par of gold. It has restored, upon a solid basis, payment in coin for all the National obligations, and has given us a currency absolutely good and equal in every part of our extended country. It has lifted the credit of the Nation from the point where six per cent. bonds sold at eighty-six to that where four per cent. bonds are eagerly sought at a premium. Under its administration railways have increased from 31,000 miles in 1860, to more than 82,000 miles in 1879. Our foreign trade has increased from $700,000,000 to $1,150,000,000 in the same time; and our exports, which were $20,000,000 less than our imports in 1860 were $264,000,000 more than our imports in 1879. Without resorting to loans, it has, since the war closed, defrayed the ordinary expenses of the Government, beside the accruing interest on the public debt, and disbursed annually over $30,000,000 for soldiers' pensions. It has paid $888,000,000 of the public debt, and, by refunding the balance at lower rates, has reduced the annual interest charge from nearly $151,000,000 to less than $89,000,000."

In view of these facts the Republican Convention declared "that the reviving industries should be further promoted, and that the commerce, already so great, should be steadily encouraged." It also resolved: "We reaffirm the belief, avowed in 1876, that the duties levied for the purpose of revenue should so discriminate as to favor American labor."

The Democratic National Convention, at Cincinnati, on June 22d, declared in favor of "a tariff for revenue



ULYSSES S. GRANT.

only;" and then, as if in doubt as to how its position would be construed, added this further declaration: "The Democratic party is a friend of labor and the laboring man, and pledges itself to protect him alike against the cormorants and the commune."

The tariff issue was destined to receive much attention in the ensuing campaign. After the Republican reverse in Maine in September, it was evident that unless the States of Indiana and Ohio holding elections in October could be carried, defeat in the Nation in November was certain. The Democratic declaration in favor of "a tariff for revenue only" was turned with tremendous force against that party, and proved of the greatest advantage in carrying both these States for the Republican ticket. The visit of General Grant and Senator Conkling to Ohio and Indiana was no more effective than the brilliant campaign of Mr. Blaine, who devoted his efforts to a striking and thorough discussion of the tariff issue, of which he was so truly "prophet and master." In the East, the result in New York hinged largely upon its consideration and the workingmen of the industrial centers were rallied to the standard of protection in immense and decisive numbers. Indeed, that alone saved the State, and secured the election of the Republican National ticket.

The House of Representatives of the Forty-seventh Congress, elected in 1880, was Republican by seven majority, It organized by electing Hon. Joseph Warren Keifer, of Ohio, Speaker, who appointed Hon. William D. Kelley, Chairman of the Ways and Means Committee. Neither party had a majority in the Senate, which consisted of thirty-seven Republicans,

thirty-seven Democrats, one Independent and one Readjuster. Hon. David Davis, of Illinois, was elected President pro tem.

President Arthur, in his first annual message, December 6, 1881, devoted a passage to the tariff. He said:

"The tariff laws also need revision, but, that a due regard may be paid to the conflicting interests of our citizens, important changes should be made with caution. If a careful revision can not be made at this session, a Commission, such as was lately approved by the Senate, and is now recommended by the Secretary of the Treasury, would doubtless lighten the labors of Congress whenever this subject is brought to its consideration."

On March 8, 1882, Hon. John A. Kasson, of Iowa, called up the bill, reported by him for the Committee on Ways and Means, to create a Tariff Commission of nine members, to be appointed by the President. Objections were made, and it was held not to have precedence, although on March 20th Mr. Kelley succeeded in having it made a special order, and it was thereafter the subject of much debate. On May 6th Mr. Mills moved that it be recommitted to the Ways and Means Committee "to report within thirty days a bill framed in compliance with the following instructions:

"1. That no more money should be collected than is necessary for the wants of the Government, economically administered. 2. That no duty be imposed on any article above the lowest rate that will yield the largest amount of revenue. 3. That below such rate discrimination may be made descending in the scale of

duties, or for imperative reasons the article may be placed on the list of those free from all duty. 4. That the maximum revenue duty should be imposed on luxuries. 5. That all specific duties should be abolished and ad valorem duties substituted in their place, care being taken to guard against fraudulent invoices and undervaluation, and to assess the duty upon the actual market value. 6. That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section."

This resolution embraced the creed of Mr. Mills and his fellow "tariff-reformers," both in Congress and throughout the country, but it is safe to say no tariff bill ever was or could be drawn to meet his conditions. The House defeated the motion to recommit by the vote, yeas, 75—all Democrats; nays, 152—all Republicans but twenty-nine, six Nationalists and twenty-three Democrats.

The bill to create the Commission was then passed by a similar vote—yeas, 151; nays, 83. Seven Republicans voted with the Democrats in the negative, and twenty-six Democrats and five Nationalists with the Republicans in the affirmative.

The Senate passed this bill with but little opposition. A similar measure, by Mr. Morrill, had, in fact, been introduced in the Senate on December 5, 1881, and passed on March 28, 1882, by a vote of 38 to 15. The House bill was passed on May 9th—yeas, 35, all Republicans but six; nays 19, all Democrats but two. It was approved by President Arthur on May 15th, and the following gentlemen were appointed by him to constitute the Tariff Commission, all of whom were

promptly confirmed by the Senate: John L. Hayes, of Massachusetts, Chairman; Henry W. Oliver, Jr., of Pennsylvania; Austin M. Garland, of Illinois; Jacob A. Ambler, of Ohio; Robert P. Porter, of the District of Columbia; John W. H. Underwood, of Georgia; Duncan F. Kenner, of Louisiana; Alexander R. Boteler, of West Virginia, and William H. McMahon, of New York.

At this session, on April 3rd, the House, under the leadership of Hon. Mark H. Dunnell, of Minnesota, passed, without division, a bill to amend the laws relating "to the entry of spirits in distilleries and warehouses, and their withdrawal therefrom." A substitute was reported, by the Committee on Finance, in the Senate, but this was indefinitely postponed by a vote of thirty-two to twenty.

On June 5th Hon. Phillip B. Thompson, of Kentucky, moved to suspend the rules of the House and pass a bill "to abolish the duty on trace-chains," but the motion was lost—yeas, 73; nays, 108. On the same day Mr. Kelley attempted to secure a suspension and the passage of a bill correcting an error in the duties on ready-made clothing and knit goods, affecting the tariff on wool and silk. His motion, too, was lost—yeas, 135; nays, 70—not two-thirds in the affirmative.

The most important measure before Congress at this session, in the light of subsequent events, however, was a bill to reduce internal revenue taxation, which was passed in the House on June 27th, by a vote of 127 to 80. Twenty-two Democrats united with the Republicans in support of this measure, and fifteen Republicans voted with the Democrats against it. In the Senate the bill was reported, on July 6th, but was

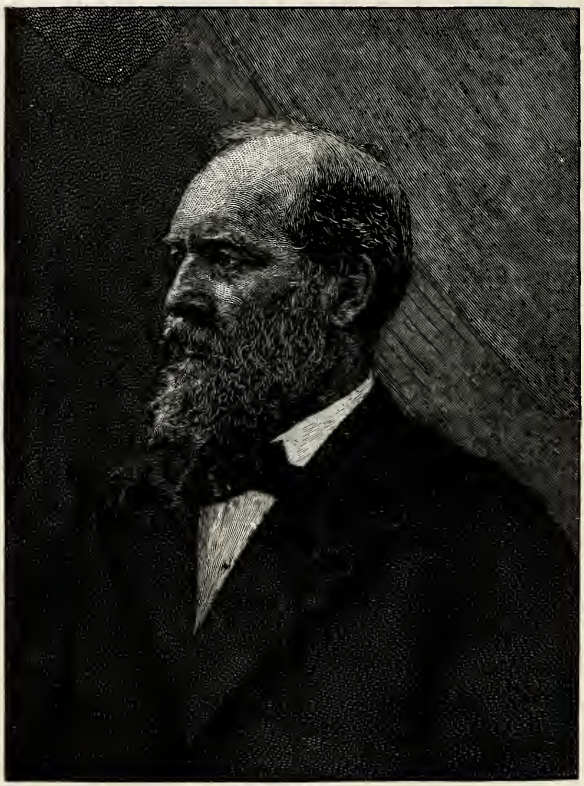
recommitted to the Finance Committee, and when reported by Mr. Morrill, on July 12th, contained numerous important amendments. Its title was changed to "an act to reduce taxation," and the changes included a revision of tariff schedules as well as internal taxes. It was debated at length, from July 19th to 24th, when the Senate voted—by 33 to 26—to take up the Naval Appropriation Bill, and so it went over until the next session. On July 31st, pending consideration of the Naval Bill, Mr. Vance, of North Carolina, moved to strike the words "of domestic manufacture" from the clause providing for the construction of "two steel steam cruising vessels of war"—thereby permitting them to be built of foreign steel, if the Government should so determine. The motion was defeated—yeas 20, all Democrats; nays 30, all Republicans but five.

On July 3rd, Mr. Kelley moved to suspend the rules of the House and take up the bill introduced January 20th by Hon. John R. Buck, of Connecticut, to correct an error affecting the duty on knit goods. This was agreed to and the bill was passed—yeas, 134; nays, 49. Three Republicans voted with the Democrats in the negative, while twenty-one Democrats voted for the bill. It was passed by the Senate, on August 5th,—yeas 36, all Republicans but seven; nays 15 all Democrats—and was promptly approved by the President.

On July 25th the bill by Mr. Kasson relative to the duties "on materials for the construction of vessels," over which there had been much debate, was recommitted to the Committee on Ways and Means—yeas (Republicans), 100; nays (Democrats), 71.

In his second annual message, December 4, 1882, President Arthur made the following recommendations on the tariff: "If the tax on domestic spirits is to be retained, it is plain, therefore, that large reductions from the custom revenue are entirely feasible. While recommending this reduction, I am far from advising the abandonment of the policy of so discriminating in the adjustment of details as to afford aid and protection to domestic labor."

At the beginning of the second session of the Forty-seventh Congress, the Tariff Commission submitted an exhaustive report to the House, with the volume of testimony it had taken on the industrial conditions and needs of the country. During the recess of Congress the Commission had made a thorough investigation of our various manufacturing interests, endeavoring to ascertain in what manner and how far the tariff could be reduced without inflicting damage or distress upon any important line of manufactures, or great interest of industry, with a view to preserving intact our protective system, and preventing ruinous competition with foreign labor. It had visited all our great industrial centers and by conscientious, careful and impartial work was enabled to submit a most valuable report. From it the Committee on Ways and Means of the House formulated and reported a bill reducing existing duties about twenty per cent. The Commission's schedules were largely followed; some increases were made, but, in the large majority of cases, where any deviation was made, it was in the direction of a reduction of the duties, and not of increase. It was estimated that the new bill, on



JAMES A. GARFIELD.

the basis of the importations of 1882, would decrease the revenue about $22,000,000.

The bill was reported by Mr. Kelley, on January 16th, and debated until January 25th, many amendments being agreed to. On the 25th the House voted on the question of giving preference to the consideration of the Internal Revenue Bill, and decided against it—yeas 100, all Democrats; nays 147, all Republicans, except eighteen. On February 19th, Mr. Kelley attempted to obtain a suspension of the rules and secure the consideration of an internal revenue bill as an independent measure. But this was not agreed to by the requisite two-thirds majority—the vote resulting, yeas 162, forty-six Democrats voting with the Republicans; nays 97, nineteen Republicans and Nationalists voting with the Democrats.

Meanwhile the Senate passed the Internal Revenue Bill (which the House had passed during the first session), but not until after it had made such amendments as to virtually revise the entire tariff. The bill had been recommitted in December, 1882, to the Committee on Finance, and on January 11, 1883, was reported by Mr. Morrill, and its consideration continued until February 20th, when the bill was passed—yeas 42, all Republicans except eleven; nays 19, all Democrats but one.

When this bill reached the House, Hon. Thomas B. Reed, of Maine, on February 26th, reported a new rule in order to secure its consideration. Mr. Carlisle raised the question of priority, but the House agreed to consider the rule by a vote of 134 to 125, and after a protracted parliamentary contest the rule was adopted, and the bill was taken up. On February 27th a motion

by Mr. Kelley to non-concur in the Senate amendments and ask for a Committee of Conference was agreed to—yeas, 147; nays, 111. The Speaker announced as conferees on part of the House, Messrs. Kelley, McKinley, Haskell, Randall and Carlisle. Mr. Randall asked to to be excused, and after Mr. Morrison and Mr. Tucker had also declined to serve, Mr. Speer, of Georgia, was appointed. The Senate appointed as its conferees Messrs. Sherman, Aldrich, Beck and Bayard. The two latter asked to be excused, and after various appointments by the Chair from among the Democratic members, all of whom declined to serve, Messrs. McDill, of Iowa, and Mahone, of Virginia, were selected. This was on March 1st, so that the session was within two days of its close. On March 3rd the Committee of Conference reported, agreeing on the passage of the bill, and this report was adopted by a vote of 152 to 116. Eighteen Democrats voted with the Republicans in the affirmative; fourteen Republicans with the Democrats in the negative. The members from the New England States voted almost unanimously for it—twenty-four to one; those from the Middle States, for it by forty-nine to twenty-two; from the West, for it by sixty-one to thirty-three; from the South, against it by fifteen to fifty-seven; and from the Pacific States, neither for nor against it, by three to three. A great objection to the bill, from an agricultural standpoint, was the heavy reduction on wool, and this caused a majority of the Ohio delegation, although three to one Republican, to vote against it. President Arthur gave it his immediate approval, and it went into effect on July 1, 1883.

The House of Representatives was strongly Demo-

cratic in the Forty-eighth Congress, that party having elected 196 of the 325 members. It organized by electing Mr. Carlisle, of Kentucky, Speaker, and by his appointment Mr. Morrison became Chairman of the Ways and Means Committee, although Mr. Randall had been the ranking Democratic member in the previous Congress.

On March 11, 1884, Mr. Morrison reported a bill "to reduce import and war tariff taxes," providing a horizontal reduction of twenty per cent. upon the list of dutiable articles, except those embraced in two schedules —spirits and silks. It enlarged the free list by exempting from duty salt, timber, and certain products of wool. On April 15th, the House, then in Committee of the Whole, on revenue measures, voted—by 140 to 138—to take up this bill. General debate continued from day to day until May 6th, when a motion by Hon. George L. Converse, of Ohio, to "strike out the enacting clause" was agreed to—yeas, 156; nays, 151. In this action the House concurred by a vote of 159 to 155. But two Republicans voted with the Democrats in the negative, while forty-one Democrats and three Nationalists, under the leadership of Mr. Randall, united with the Republicans to defeat the bill.

On April 7th, Mr. Converse moved to suspend the rules and pass a bill "to restore the rates of duty on imported wool." This had been demanded by the platforms of both parties in Ohio, and by a joint resolution unanimously adopted by the Sixty-sixth General Assembly of Ohio, on January 23, 1884. After a brief debate the motion was disagreed to—yeas, 119; nays, 126—not the requisite two-thirds in the affirmative. It

secured the support of seventy-nine Republicans and forty Democrats, and was opposed by twelve Republicans and one hundred and fourteen Democrats. Every Ohio member voting, except one, gave it his support. Mr. Randall favored the motion, but it was strenuously opposed by Messrs. Morrison, Mills, Blount, Breckenridge, Cox, Hurd, and other active "tariff reformers."

On the same day the House adopted a resolution by Mr. Thompson, of Kentucky, declaring "it unwise and inexpedient for the present Congress to abolish or reduce the tax upon spirits distilled from grain"—yeas, 179; nays, 33. Later in the session, on June 21st, Mr. Tucker, of Virginia, moved that the House "go into Committee of the Whole to take up revenue bills," the pending measure being a bill "to repeal the tax on fruit brandies." This was agreed to—yeas, 95; nays, 119—and a similar motion was defeated, on July 3rd, by 80 to 132.

On May 19th, Mr. Hurd moved to suspend the rules and "abolish the discriminating duty on works of art—the production of foreign and of American artists." This was disagreed to—yeas, 52; nays, 178—but the vote was not on party lines.

The House, on the same day, passed without division a bill "to prohibit the importation of contract labor," but it was not considered by the Senate at this session. Constitutional amendments were offered in the House by Hon. William H. Fiedler, of New Jersey, "on prison labor," and by Hon. Robert T. Davis, of Massachusetts, "on the hours of labor in textile-fabric manufactories," but neither was adopted.

At the Republican National Convention of 1884 the

platform reported by the Committee on Resolutions was unanimously adopted. Four of its planks were devoted to the tariff, as follows:

4. It is the first duty of a good government to protect the rights and promote the interests of its own people. The largest diversity of industry is the most productive of general prosperity, and of the comfort and independence of the people. We therefore demand that the imposition of duties on foreign imports shall be made, not for revenue only, but that in raising the requisite revenues for the Government, such duty shall be so levied as to afford security to our diversified industries and protection to the rights and wages of the laborer; to the end that active and intelligent labor, as well as capital, may have its just reward, and the laboring man his full share in the National prosperity.

5. Against the so-called economic system of the Democratic party, which would degrade our labor to the foreign standard, we enter our most earnest protest. The Democratic party has failed completely to relieve the people of the burden of unnecessary taxation by a wise reduction of the surplus.

6. The Republican party pledges itself to correct the irregularities of the tariff and to reduce the surplus, not by the vicious and indiscriminating process of horizontal reduction, but by such methods as will relieve the taxpayer without injuring the laborer or the great productive interests of the country.

7. We recognize the importance of sheep-husbandry in the United States, the serious depression which it is now experiencing, and the danger threatening its future prosperity; and we therefore respect the demands of

the representatives of this important agricultural interest for a readjustment of duties upon foreign wool, in order that such industry shall have full and adequate protection.

Hon. James G. Blaine, of Maine, in his letter of acceptance of the Republican nomination for the Presidency, dated at Augusta, July 15, 1884, discussed the tariff question with his accustomed vigor and brilliancy. He said:

"Revenue laws are in their very nature subject to frequent revision, in order that they may be adapted to changes and modifications of trade. The Republican party is not contending for the permanency of any particular statute. The issue between the two parties does not have reference to a specific law. It is far broader and far deeper. It involves a principle of wide application and beneficent influence against a theory which we believe to be unsound in conception and inevitably hurtful in practice. In the many tariff revisions which have been necessary for the past twenty-three years, or which may hereafter become necessary, the Republican party has maintained and will maintain the policy of protection to American industry, while our opponents insist upon a revision which practically destroys that policy. The issue is thus distinct, well-defined, and unavoidable. The pending election may determine the fate of protection for a generation. The overthrow of the policy means a large and permanent reduction in the wages of the American laborer besides involving the loss of vast amounts of American capital invested in manufacturing enterprises. The value of the present revenue system to the people of the United States

is not a matter of theory, and I shall submit no argument to sustain it. I only invite attention to certain facts of official record which seem to constitute a demonstration.

"In the Census of 1850 an effort was made, for the first time in our history, to obtain a valuation of all the property in the United States. The attempt was in a large degree unsuccessful. Partly from lack of time, partly from prejudice from many who thought the inquiries foreshadowed a new scheme of taxation, the returns were incomplete and unsatisfactory. Little more was done than to consolidate the local valuation used in the States for purposes of assessment, and that, as everybody knows, differs widely from a complete exhibit of all the property.

"In the Census of 1860, however, the work was done with great thoroughness — the distinction between 'assessed' value and 'true' value being carefully observed. The grand result was that the 'true value' of all the property in the States and Territories (excluding slaves) amounted to $14,000,000,000. This aggregate was the net result of the labor and savings of all the people within the area of the United States from the time the first British colonist landed in 1607 down to the year 1860. It represented the fruit of the toil of two hundred and fifty years.

"After 1860 the business of the country was encouraged and developed by a protective tariff. At the end of twenty years the total property of the United States, as returned by the Census of 1880, amounted to the enormous aggregate of $44,000,000,000. This great result was attained notwithstanding the fact that

countless millions had in the interval been wasted in the progress of a bloody war. It thus appears that while our population between 1860 and 1880 increased sixty per cent., the aggregate property of the country increased two hundred and fourteen per cent., showing a vastly enhanced wealth per capita among the people. Thirty thousand millions of dollars had been added during these twenty years to the present wealth of the Nation.

"These results are regarded by the older nations of the world as phenomenal. That our country should surmount the peril and the cost of a gigantic war, and for an entire period of twenty years make an average gain to its wealth of $125,000,000 per month, surpasses the experience of all other nations, ancient or modern. Even the opponents of the present revenue system do not pretend that in the whole history of civilization any parallel can be found to the National progress of the United States since the accession of the Republican party to power.

"The period between 1860 and to-day has not been one of material prosperity only. At no time in the history of the United States has there been such progress in the moral and philanthropic field. Religious and charitable institutions, schools, seminaries and colleges, have been founded and endowed far more generously than at any previous time in our history. Greater and more varied relief has been extended to human suffering, and the entire progress of the country in wealth has been accompanied and dignified by a broadening and elevation of our National character as a people."

"Our opponents find fault that our revenue system produces a surplus. But they should not forget that the law has given a specific purpose to which all of the surplus is profitably and honorably applied — the reduction of the public debt, and the consequent relief of the burden of taxation. No dollar has been wasted, and the only extravagance with which the party stands charged is the generous pensioning of soldiers, sailors, and their families—an extravagance which embodies the highest form of justice in the recognition and payment of a sacred debt. When reduction of taxation is to be made, the Republican party can be trusted to accomplish it in such form as will most effectively aid the industries of the Nation."

At the Democratic National Convention of 1884 the platform was adopted without division, after the rejection of a minority report offered by General Benjamin F. Butler, of Massachusetts, by the test vote 714 to 97. The planks relating to the tariff were as follows:

3. The Democracy pledges itself to purify the Administration from corruption, to restore economy, to revive respect for law, and to reduce taxation to the lowest limit consistent with due regard to the preservation of the faith of the Nation to its creditors and pensioners. Knowing full well, however, that legislation affecting the operations of the people should be cautious and conservative in method, not in advance of public opinion, but responsive to its demands, the Democratic party is pledged to revise the tariff in a spirit of fairness to all interests. But, in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the

foundation of this Government taxes collected at the Custom Houses have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of the reform must be subject in the execution to this plain dictate of justice—all taxation shall be limited to the requirements of economical government. The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country. Sufficient revenue to pay all the expenses of the Federal government economically administered, including pensions, interest, and principal of the public debt, can be had under our present system of taxation from Custom House taxes upon fewer imported articles, bearing heaviest on articles of luxury, and bearing lightest on articles of necessity. We therefore denounce the abuses of the existing tariff; and subject to the preceding limitations, we demand that Federal taxation shall be exclusively for public purposes, and shall not exceed the needs of the Government economically administered.

4. The system of direct taxation known as the "internal revenue" is a war tax, and so long as the law continues the money derived therefrom should be sacredly devoted to the relief of the people from the

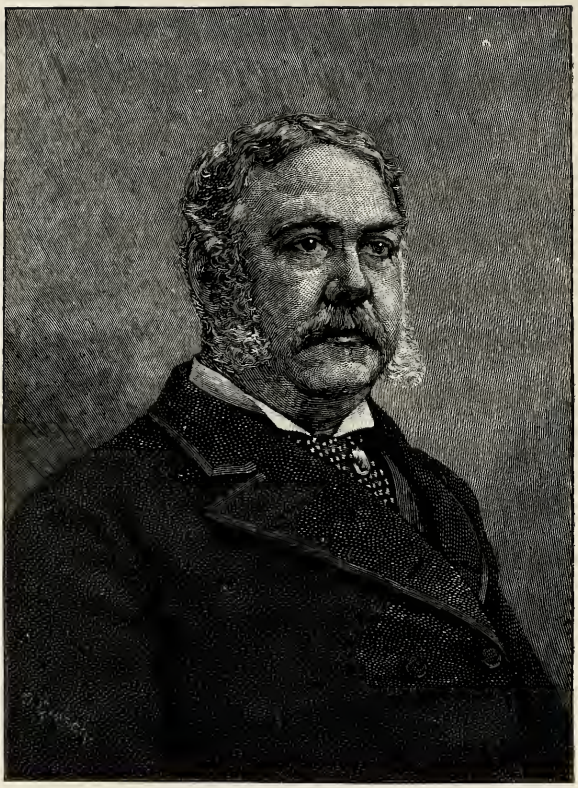
remaining burdens of the war, and be made a fund to defray the expense of the care and comfort of worthy soldiers in line of duty in the wars of the Republic, and for the payment of such pensions as Congress may from time to time grant to such soldiers, a like fund for the sailors having been already provided; and any surplus should be paid into the Treasury.

Hon. Grover Cleveland, of New York, the Democratic candidate for President, in his letter of acceptance, dated at Albany, August 18, 1884, made no reply to the argument of Mr. Blaine that our unparalleled progress as a Nation was in great measure due to the protective system He merely recited the fact that "true American sentiment recognizes the dignity of labor, and that honor lies in honest toil." There was a marked absence of all reference to the economic policy which at that time was becoming so direct an issue between the two great parties.

Both parties entered upon the campaign with earnestness and enthusiasm, but while the Republicans carried most of the great States of the North by decisive pluralities, they failed in the pivotal States of Indiana and New York, and Mr. Cleveland was elected. Had any one of a number of misfortunes been averted in the State of New York, where the result hinged upon 1,047 votes in a total of 1,171,312, its electoral vote would have been cast for Mr. Blaine, thereby securing his election. It is not our purpose to inquire into the causes of Mr. Blaine's defeat, but it was in no sense due to his masterly advocacy of the doctrine of protection, for in New Jersey, New York, Connecticut, and other States, the leading orators of the Democratic party

aimed constantly to show that their party and candidates were as firmly committed to its support as the Republicans.

The House of Representatives in the Forty-ninth Congress, elected in 1884, was strongly Democratic—that party electing one hundred and eighty-four of the three hundred and twenty-five members. Mr. Carlisle was elected Speaker, and Mr. Morrison appointed Chairman of the Ways and Means Committee. The Senate was Republican, by forty-two of the seventy-six members. Hon. John Sherman, of Ohio, was elected President *pro tem.*, and Mr. Morrill, of Vermont, appointed Chairman of the Finance Committee.



CHESTER A. ARTHUR.

CHAPTER III.

In his last annual message to Congress, on December 1, 1884, President Arthur again recommended "the abolition of all excise taxes except those relating to distilled spirits." On February 18, 1885, the Senate passed the bill, as amended, which had passed the House at the first session, "to prohibit the importation of foreign contract labor." The amendments were concurred in by the House, without division, on February 23rd, and the law was approved by the President on the 26th. This ended a long and somewhat acrimonious contest in favor of the position assumed by the friends of protection.

In his inaugural address of March 4, 1885, Mr. Cleveland demanded that our finances should be "established upon such a sound and sensible basis as shall secure the safety and confidence of business interests and make the wages of labor sure and steady; and that our system of revenue shall be so adjusted as to relieve the people from unnecessary taxation, having a due regard to the

interests of capital invested and workingmen employed in American industries, and preventing the accumulation of a surplus in the Treasury to tempt extravagance and waste."

There was nothing in this to indicate a departure from the position of any of his Republican predecessors.

Again, in his first annual message to Congress, on December 8, 1885, he said:

"The fact that our revenues are in excess of the actual needs of an economical administration of the Government, justifies a reduction in the amount exacted from the people for its support. Our Government is but the means established by the will of a free people, by which certain principles are applied which they have adopted for their benefit and protection; and it is never better administrated, and its true spirit is never better observed, than when the people's taxation for its support is scrupulously limited to the actual necessity of expenditure, and distributed according to a just and equitable plan. The proposition with which we have to deal is the reduction of the revenue received by the Government, and indirectly paid by the people from customs dues. The question of free trade is not involved, nor is there now any occasion for the general discussion of the wisdom or expediency of a protective system. Justice and fairness dictate that in any modification of our present laws relating to revenue, the industries and interests which have been encouraged by such laws, and in which our citizens have large investments, should not be ruthlessly injured or destroyed.

"We should also deal with the subject in such manner as to protect the interests of American labor, which is

the capital of our workingmen; its stability and proper remuneration furnish the most justifiable pretext for a protective policy. Within these limitations a certain reduction should be made in our customs revenue. The amount of such reduction having been determined, the inquiry follows, where can it best be remitted and what articles can best be released from duty, in the interest of our citizens. I think the reduction should be made in the revenue derived from a tax upon the imported necessaries of life. We thus directly lessen the cost of living in every family of the land, and release to the people in every humble home a larger measure of the rewards of frugal industry."

On February 15, 1886, Mr. Morrison introduced a bill "to reduce tariff taxes" which was referred to the Committee on Ways and Means, and by it favorably recommended, as amended, on April 12th. By this measure, timber, sawed boards, hubs, staves, lath, shingles, clapboards, logs, salt, fish, wool, flax, tow, hemp, jute and sisal-grass were placed upon the free list, subject to the condition that no export duty should be charged upon them by the country from whence imported. The duties on cotton cloth, thread, cord, stockings, laces, embroideries, flax, hemp, and jute-yarns, linens, cables or cordage, woolen cloth, shawls, flannels, blankets, yarns, clothing of all sorts, carpets, and a great variety of similar domestic products, were largely reduced, and the duty on sugar decreased ten per cent. The bill also included certain modifications of the administrative features of the law of 1883, which had originally been offered as a separate measure by Hon. Abram S. Hewitt, of New York.

On June 17th, Mr. Morrison moved that the House resolve itself into the Committee of the Whole for the consideration of this, the general tariff bill, but his motion was lost—yeas, 140; nays, 157. The affirmative vote was cast entirely by Democrats except four. The negative vote included thirty-five Democrats, while thirteen Democrats and fourteen Republicans were either paired or did not vote. The opposition forces in the Democratic ranks were led by Mr. Randall to whose influence the summary defeat of the bill was largely attributed.

On June 28th, Mr. Randall introduced a bill intended as a compromise between the existing law and the reduction of duties already attempted. It was estimated by its author that this bill would reduce internal revenue taxes $26,407,088; customs duties on articles still left dutiable, $7,044,452; and add to the free list articles which paid a duty of $1,526,124 annually, or a total reduction of $34,977,665. The Committee on Ways and Means reported this bill adversely, on July 10th, and this ended all attempts at tariff changes for the session.

The Labor Arbitration Bill which had passed the House on April 3, 1886, was passed by the Senate on February 28, 1887, without amendment, or division, but failed to become a law because it was not acted upon by the President. On the same day the Senate passed, without opposition, the bill to prohibit the employment of convict labor in the erection or construction of public buildings, or other public works, or in the preparation of materials to be used in such buildings or works, which had passed the House on

March 9, 1886. This also failed by reason of President Cleveland not acting upon it.

An amendment was offered, and adopted by the Senate, to an appropriation of $94,000 for the Department of Agriculture, on June 10th, which required the purchase and use of American-made machinery in the manufacture of sugar from sorghum and sugar-cane, so far as authorized by that Department. To this the House at first non-concurred; but, subsequently, on June 29th, the report of the Committee of Conference was agreed to, providing that such machinery should be wholly of domestic material, except so much of it as was then under contract, not exceeding $10,000 in value, or such of it as could not be built in the United States within the period in which it was needed. The amendment was important as establishing a principle which ought never to have been seriously controverted.

At the second session, Mr. Morrison again attempted to have his bill considered by the House in Committee of the Whole. His motion to that effect, on December 18, 1886, was defeated—yeas, 148; nays, 157. Six Republicans voted in the negative; twenty-six Democrats in the affirmative; and five Republicans and fourteen Democrats did not vote.

Hon. Frank Hiscock, of New York, on December 20th, moved to suspend the rules and pass a bill regulating the duties on leaf tobacco. The motion was lost —yeas, 90; nays, 164; not voting, 67.

Hon. John S. Henderson, of North Carolina, on March 3, 1887, the closing day of the session, attempted to secure a suspension of the rules and the passage of a

bill modifying the internal revenue laws, relating to the sale of leaf tobacco, and for other purposes. The motion failed to receive the necessary two-thirds vote—yeas 139, all Democrats but nine; nays, 112, all Republicans but five, while sixty-eight members did not vote.

The Democratic majority in the House of Representatives in the Fiftieth Congress, elected in 1886, was materially reduced, that party electing but 169 of the 325 members. Mr. Carlisle was re-elected Speaker, and Mr. Mills became Chairman of the Ways and Means Committee. The Senate remained Republican by two votes, with Hon. John J. Ingalls, of Kansas, as President *pro tem.*, and Mr. Morrill, Chairman of the Finance Committee.

The attention not only of this Congress, but of the whole country, was sharply arrested by Mr. Cleveland's third annual message, of December 6, 1887. It was an extraordinary document and in direct contrast to his two preceding annual messages. It was largely devoted to a consideration of the tariff, upon which he was thought to have previously held a conservative position. In the course of his recommendations, Mr. Cleveland observed:

"But our present tariff laws, the vicious, inequitable, and illogical source of unnecessary taxation, ought to be at once revised and amended. These laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty, by precisely the sum paid for such duties. Thus the amount of the duty measures the tax paid by those who purchase for use these imported articles. Many of these things, however, are raised or manufactured in our own country, and the

duties now levied upon foreign goods and products are called protection to these home manufactures, because they render it possible for those of our people who are manufacturers to make these taxed articles and sell them for a price equal to that demanded for the imported goods that have paid customs duty. So it happens that while comparatively a few use the imported articles, millions of our people, who never used and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay therefor nearly or quite the same enhanced price which the duty adds to the imported articles. Those who buy imports pay the duty charged thereon into the public Treasury; but the great majority of our citizens, who buy domestic articles of the same class, pay a sum at least approximately equal to this duty to the home manufacturer. This reference to the operation of our tariff laws is not made by way of instruction, but in order that we may be constantly reminded of the manner in which they impose a burden upon those who consume domestic products as well as those who consume imported articles, and thus create a tax upon all our people."

And again: "It is a condition which confronts us —not a theory. Relief from this condition may involve a slight reduction of the advantages which we award our home productions, but the entire withdrawal of such advantages should not be contemplated. The question of free trade is absolutely irrelevant; and the persistent claim, made in certain quarters, that all efforts to relieve the people from unjust and unnecessary taxation are schemes of so-called 'free-traders' is mischievous and far removed from any consideration for

the public good. The simple and plain duty which we owe to the people is to reduce taxation to the necessary expenses of an economical operation of the Government, and to restore to the business of the country the money which we hold in the Treasury through the perversion of governmental powers. These things can and should be done with safety to all our industries, without danger to the opportunity for remunerative labor which our workingmen have, and with benefit to them and all our people, by cheapening their means of subsistence and increasing the measure of their comforts."

But however much the country was startled at Mr. Cleveland's position, his views were not at once controverted by any of the great leaders of Congress, nor did the press challenge the fairness or accuracy of his statements in such a way as to command the attention of the public. Indeed, it was reserved for Mr. Blaine, then traveling in Europe, to do this in a manner that displayed all that marvelous brilliancy and sagacity in leadership for which he had so long been distinguished. In a letter to Hon. B. F. Jones, of Pittsburg, then Chairman of the Republican National Committee, dated at Florence, Italy, January 25, 1888, he declined to allow his name to be again presented as a candidate for the Presidency, then hastily but clearly pointed out the vastly improved prospects for party success, and strongly asserted the impregnable position of the Republican party upon the tariff question, in the combat to which the President had so boldly challenged them. He recited but plain historical facts, which were afterward abundantly proven by the testimony of the most prominent Democrats in Congress, when he said :

"Another feature of the political situation should inspire Republicans with irresistible strength. The present National administration was elected with, if not upon, the repeated assertions of its leading supporters in every protection State that no issue on the tariff was involved. However earnestly Republicans urged that question as the one of controlling importance in the campaign, they were met by the Democratic leaders and journals with persistent evasion, concealment, and denial. This resource the President has fortunately removed. The issue which the Republicans maintained and the Democrats avoided in 1884 has been prominently and specifically brought forward by the Democratic President, and can not be hidden out of sight in 1888. The country is now in the enjoyment of an industrial system which, in a quarter of a century, has assured a larger National growth, a more rapid accumulation, and a broader distribution of wealth than were ever before known to history. The American people will now be openly and formally asked to decide whether this system shall be recklessly abandoned and a new trial be made of an old experiment which has uniformly led to National embarrassment and widespread individual distress. On the result of such an issue, fairly presented to the popular judgment, there is no room for doubt.

"A closer observation of the conditions of life among the older nations gives one a more intense desire that the American people shall make no mistake in choosing the policy which inspires with hope and crowns it with dignity, which gives safety to capital and protects its increase, which secures political power to every citi-

zen, comfort and culture to every home. To this end, not less earnestly and more directly as a private citizen than as a public candidate, I shall devote myself, with the confident belief that the administration of the Government will be restored to the party which has demonstrated the purpose and power to wield it for the unity and the honor of the Republic; for the prosperity and progress of the people."

Both parties were now aroused to the most intense earnestness, and, almost as a natural and inevitable consequence, what is probably the most remarkable Congressional tariff debate in our history was at once begun. A bill entitled "A bill to reduce taxation and simplify the laws in relation to the collection of revenue" was reported to the House by Mr. Mills, Chairman of the Ways and Means Committee, on April 2, 1888. It was accompanied by both majority and minority reports; the former signed by the Democratic members of the Committee and submitted by Mr. Mills, and the latter by the Republican members and submitted by Mr. McKinley. The general debate was opened on April 17th by Mr. Mills in support of the bill and he was answered by the veteran economist, William D. Kelley, who opposed it. This continued uninteruptedly until May 19th, when it was closed by arguments in favor of the bill by Speaker Carlisle and against it by Mr. Reed, of Maine. Then came the debate under the five-minute rule, which proceeded, under the inspiration and encouragement of the Presidential campaign then pending, with great vigor and earnestness from May 31st to July 19th. Congress had never before known anything like it. Hon. William M. Springer, of Illinois, stated at its

close that "twenty-three day and eight evening sessions had been consumed in the debate, during which the bill received the exclusive consideration of the House for one hundred and eleven hours and fifty-four minutes." The time, it appeared, had been about evenly divided between the speakers of the two great parties—"fifty-six hours and eighteen minutes were allotted to the Democrats and fifty-five hours and thirty-six minutes to the Republicans." In all some "one hundred and fifty-one speeches were made in the general debate," and in that upon the paragraphs separately, "twenty days, or one hundred and twenty-eight hours and ten minntes" were consumed in fully as many speeches more. In other words, fifty-one days were devoted to the bill from beginning to end of the remarkable debate, two hundred and forty hours of actual talk indulged in by the members of the House alone. If to this be added the particulars of the debate in the Senate, some faint idea can be formed of the patient, close and searching attention Congress has given to the details of tariff legislation during recent years, and of the immense amount of work involved in their intelligent consideration. No one seems to have calculated the exact volume of the speeches on "the Mills bill," so called, but it is safe to say that were all printed in full they would easily fill twenty to thirty volumes the size of a quarto or unabridged dictionary.

It would be impossible to attempt a synopsis of even the principal speeches in this protracted debate. One or two points in a few of the vast number will alone be mentioned. Mr. Mills, in his opening speech, observed that he had "gone through with a number of

articles taken from the reports made by manufacturers themselves, and had shown that the tariff (the protective tariff of 1883) was not framed for the benefit of the laborer, or that if it was so intended by those who framed it, the benefit never reaches the laborer—not a dollar of it. The working-people are hired in the market at the lowest rates at which their services can be had, and all the boodle that has been granted by these tariff bills goes into the pockets of the manufacturers. It builds up palaces; it concentrates wealth; it makes great and powerful magnates; but it distributes none of its benificence in the homes of our laboring poor."

In reply to this, the testimony of the workingmen themselves was presented, especially the testimony of those who had worked in the same branches of industry on both sides of the Atlantic, and whose opportunity for information from experience in both countries made their evidence not only interesting and important, but absolutely incontrovertible. The burden of such testimony was that the American workingman was from two to four times better paid for the same labor than his European competitor, while as against his Asiatic or Australasian competitor there was scarcely any comparison possible, so great were the advantages in favor of the laborers of the United States. Turning then to the testimony of our manufacturers, it was shown by a letter from William Barbour, the great thread manufacturer of Paterson, New Jersey, that while he was running factories in both countries, so great was the difference in wages that his 1,400 American laborers were paid, in 1888,

nearly the exact sum which his 2,900 laborers were paid for the same work in Ireland. The Singer Sewing Machine Company maintained a factory in Glasgow as well as in New Jersey, and though it employed in Scotland one-third more hands than it did in America, yet its pay-roll in Europe was only half as great as in the United States—the actual figures being in Scotland $18,000 and in New Jersey $35,000. The Boston Thread and Twine Company also certified that "they were in the United States paying three times the average wages paid for similar labor throughout Europe." But the most conclusive testimony was a voluntary statement, in a petition to Congress, from the representatives of at least half a million workmen of the United States, in the Amalgamated Association of Iron and Steel and Glass Workers of America. They said, impressively: "We know that we receive our share of the benefits of protection on the industries we represent. We therefore emphatically protest against any reduction of the duties that will bring us on a level with the low price paid for labor in Europe. We insist upon the maintenance of a strong protective tariff, in order to maintain an American standard of wages for American workingmen."

Hon. Thomas B. Reed, of Maine, in an argument, unique, original and effective, gave a new version of a story from Æsop, with which the country was soon familiar. "Where," he asked, "is the best market in the world? Where the people have the most money to spend. Where have the people the most money to spend? Right here in the United States of America after twenty-seven years of protectionist rule. And

you are asked to give up such a market for the markets of the world. Why, the history of such a transaction was told twenty-four hundred years ago. It is a classic. You will find it in the words of Æsop, the fabulist:

"Once there was a dog. He was a nice little dog. Nothing the matter with him except a few foolish free-trade ideas in his head. He was trotting along happy as the day, for he had in his mouth a nice shoulder of succulent mutton. By and by he came to a stream bridged by a plank. He trotted along, and, looking over the side of the plank, he saw the markets of the world, and dived for them. A minute after he was crawling up the bank the wettest, the sickest, the nastiest, and the most muttonless dog that ever swam ashore."

Mr. Carlisle spoke on the same subject, but in a quite different vein. He addressed himself to the matter of the "home market" as follows:

"In 1880 there were $215,000,000 invested in cotton manufactures, and there were employed in that industry 172,554 hands. To work up our present production of raw cotton would require an investment in the manufacture of $660,000,000, and the employment of 517,662 hands. If we have been more than one hundred years, part of the time under very high tariffs, in so developing our cotton manufactures as to enable them to take one-third of our product at European prices, how many more centuries will be required to enable them to consume the whole product at prices fixed by competition here at home? When gentlemen have solved this problem to the satisfaction of the American cotton-

grower, he may be able to listen with patience to the argument by which they attempt to convince him of the immense advantages of a home market that will never exist."

Mr. Randall, although in failing health, felt constrained to speak upon and criticise the pending bill very sharply. It was in the course of these remarks that Mr. Randall made his much quoted and unanswerable argument in favor of sustaining our home markets. "If," he reasoned, "the farmer ceases to buy the product of the manufacturers, he will certainly cease to sell to them, but must sell his products in the market where he buys what he consumes himself. Suppose last year we had manufactured a thousand millions' worth less than we did and had gone abroad for these products, expecting to pay for them with agricultural products, could a thousand millions more of agricultural products have been sold abroad at the price which products brought here? We sold all the wheat and corn and meat products that Europe could take at the price that prevailed. Who can tell at what prices Europe would have taken five hundred millions or even one hundred millions more of our agricultural products than she did take? The mere statement of the proposition is enough to disclose the error on which it is founded, and shows the importance of uniting manufactures with agriculture, or, as Jefferson states it, 'putting the manufacturer by the side of the farmer.' In fact, both must in our country depend almost exclusively on the home market. It is folly, if not a crime, to attempt to change it in these respects. It would bring ruin and bankruptcy without the possibility of having such a result

accomplished. The greater the diversity of industries in any country, the greater the wealth-producing power of the people, and the more there is for labor and capital to divide, and the more independent that country becomes."

The House came to a vote on July 21st, and the bill was passed—yeas 162, all Democrats but three; nays 149, all Republicans but four. Fourteen members did not vote. Among these was Mr. Randall, who was paired with a Democrat who favored the bill. The sectional character of the proposed legislation is apparent from the vote on its passage. New England cast seven yeas, seventeen nays; the Middle States, yeas twenty-eight, nays forty-six; the Western, yeas forty-two, nays sixty-eight; the Southern, yeas eighty-three, nays twelve; and the Pacific, yeas two, nays six.

The bill was referred in the Senate to the Committee on Finance, which prepared a substitute which was reported on October 8th, but no attempt was made to push it to a vote before adjournment. The Senate substitute followed the lines indicated by the Chicago platform very closely. It sought a reduction of the revenue of from $60,000,000 to $70,000,000, but in doing this maintained the protective features of the law of 1883. Tobacco was made free; the tax on alcohol used in the arts greatly reduced, and the tariff on sugar cut in two. It has been said that the text of "the Mills bill" formed the main issue in the Presidential canvass of 1888, and its provisions were certainly very fully discussed both in Congress and throughout the country. Congress adjourned on October 20th, after

having been continuously in session for nearly eleven months.

It was at this session that Congress passed the act of October 1, 1888, to prohibit Chinese immigration—a law of direct and great importance to all American laborers. Hon. William L. Scott, of Pennsylvania, introduced the bill on September 3rd, and it was at once passed by the House without a division. The Senate acted with similar promptness. On September 7th, Hon. Arthur P. Gorman, of Maryland, moved that it be referred to the Committee on Foreign Relations, but his motion was lost—yeas nineteen, Democrats sixteen, Republicans three; nays twenty, Republicans sixteen, Democrats four. The bill was then passed—yeas thirty seven, Republicans nineteen, Democrats eighteen ; nays three, two Republicans and one Democrat. The measure was probably presented as a matter of party exigency in the effort to place the Administration right with the laborers of the country, but if such was its purpose, it failed entirely to injure the Republican minority, or place the party in a false position before the country.

One of the minor measures affecting labor, passed at this session, was an amendment to the Urgent Deficiency Bill offered on February 17, 1888, by Hon John J. O'Neill of Missouri, and providing that the Public Printer should rigidly enforce the provisions of the eight-hour law in the department under his charge. This was of importance on account of the value of the example, and as establishing a precedent which would in time be generally respected. The amendment was ordered by the vote, yeas 182, nays 53, all voting in the

negative being without exception Democrats. On March 7th the Senate voted to strike out the clause—yeas 32, nays 20, all of the latter Republicans except one. The House, on March 15th, refused to concur in this action, and in conference the Senate receded from its position and agreed to the amendment.

In the Senate, on February 17th, pending consideration of a bill to incorporate the Washington Electric Railway, in the District of Columbia, an amendment was offered by the Committee requiring that the rails to be used should be "of American manufacture." It was agreed to—yeas twenty-five, all Republicans but two; nays seventeen. The House did not consider the bill.

In the meanwhile the National conventions of the two great parties had been held. The Democrats convened at St. Louis on June 5th, and promptly and unanimously renominated President Cleveland, by acclamation. The ticket was completed with great enthusiasm and practical unanimity by the nomination of the venerable Allen G. Thurman, of Ohio, for Vice-President, by 690 votes to 105 for Isaac P. Gray, of Indiana, and twenty-five for John C. Black, of Illinois. On the second day the platform was adopted, with but little opposition. It declared:

"All unnecessary taxation is unjust taxation. It is repugnant to the creed of Democracy that by such taxation the cost of the necessaries of life should be unjustly increased to all our people. Judged by Democratic principles, the interests of the people are betrayed when, by unnecessary taxation, trusts and combinations are permitted to exist, which, while unduly enriching

the few that combine, rob the body of our citizens by depriving them of the benefits of natural competition. Every Democratic rule of governmental action is violated when, through unnecessary taxation, a vast sum of money, far beyond the needs of an economical administration, is drawn from the people and the channels of trade, and accumulated as a demoralizing surplus in the National treasury.

"The money now lying in the Federal Treasury, resulting from superfluous taxation, amounts to more than $125,000,000, and the surplus collected is reaching the sum of more than $60,00,000 annually. Debauched by this immense temptation, the remedy of the Republican party is to meet and exhaust by extravagant appropriations and expenses, whether constitutional or not, the accumulation of extravagant taxation. The Democratic policy is to enforce frugality in public expense and abolish unnecessary taxation. Our established domestic industries and enterprises should not and need not be endangered by a reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries by giving them assurances of an extended market and steady and continuous operation. In the interests of American labor, which should in no event be neglected, revision of our tax laws, contemplated by the Democratic party, should promote the advantage of such labor by cheapening the cost of the necessaries of life in the home of every workingman, and at the same time secure to him steady and remunerative employ-

ment. "Upon this phase of tariff reform, so closely concerning every phase of our National life, and upon every question involved in the problem of good government, the Democratic party submits its principles and professions to the intelligent suffrage of the American people."

Hon. William L. Scott, of Pennsylvania, offered and secured the adoption of the following additional resolution:

"Resolved, That this Convention hereby endorses and recommends the early passage of the bill for the reduction of the revenue now pending in the House of Representatives."

The Republican National Convention convened in Chicago on June 19th. Its platform, reported on June 21st, was unanimously adopted. The planks relating to the tariff were as follows:

"We are uncompromisingly in favor of the American system of protection; we protest against its destruction as proposed by the President and his party. They serve the interests of Europe; we will support the interests of America. We accept the issue and confidently appeal to the people for their judgment. The protective system must be maintained. Its abandonment has always been followed by general disaster to all interests except those of the usurer and sheriff. We denounce the Mills bill as destructive to the general business, the labor, and the farming interests of the country, and we heartily endorse the consistent and patriotic action of the Republican Representatives in Congress in opposing its passage. We condemn the proposition of the Democratic party to place wool on the free list,

and we insist that the duties thereon shall be adjusted and maintained so as to furnish full and adequate protection to that industry throughout the United States.

"The Republican party would effect all needed reduction of the National revenue by repealing the taxes upon tobacco, which are an annoyance and burden to agriculture, and the tax upon spirits used in the arts and for mechanical purposes, and by such revision of the tariff laws as will tend to check imports of such articles as are produced by our people, the production of which gives employment to our labor, and release from import duties those articles of foreign production except luxuries, the like of which can not be produced at home. If there shall still remain a larger revenue than is requisite for the wants of the Government, we favor the repeal of the internal taxes entirely rather than the surrender of any part of our protective system at the joint behest of the Whisky Ring and the agents of foreign manufacturers.

"We declare our hostility to the introduction into this country of foreign contract labor, and of Chinese labor, alien to our civilization and Constitution, and we demand the rigid enforcement of the existing laws against it, and favor such immediate legislation as will exclude such labor from our shores.

"We declare our opposition to all combinations of capital organized in trusts or otherwise to control arbitrarily the condition of trade among our citizens; and we recommend to Congress and the State legislatures, in their respective jurisdictions, such legislation as will prevent the execution of all schemes to oppress the

people by undue charges on their supplies, or by unjust rates for the transportation of their products to market. We approve the legislation by Congress to prevent alike unjust burdens and unfair discriminations between the States."

The Convention completed its work on June 25th by the nomination, on the eighth ballot, of General Benjamin Harrison, of Indiana, for President, and Hon. Levi P. Morton, of New York, on the first ballot, for Vice-President.

Mr. Cleveland gave his formal letter of acceptance to the public on September 8th. In this he adhered to his oft-repeated declaration that "the consumer pays the tax," ignoring entirely the well-known fact that not a few articles of common use and American manufacture were then selling in the markets at a less price than the amount of the duty levied upon similar articles made in foreign countries. He said:

"The cost of the Government must continue to be met by tariff duties collected at our custom houses upon imported goods, and by internal revenue taxes assessed upon spirituous and malt liquors, tobacco, and oleomargarine. I suppose it is needless to explain that all these duties and assessments are added to the price of the articles upon which they are levied, and thus become a tax upon all those who buy these articles for use and consumption. I suppose, too, it is well understood that the effect of this tariff taxation is not limited to the consumers of imported articles, but that the duties imposed upon such articles permit a corresponding increase in prices to be laid upon domestic productions of the same kind, which increase, paid by all our people

as consumers of home productions, and entering every American home, constitutes a form of taxation as certain and as inevitable as though the amount was annually paid into the hand of the tax-gatherer."

General Harrison's letter of acceptance was dated at Indianapolis, September 11th, and was a model in style, force and propriety. In discussing the tariff he classed those who held to the theory that "the import duty upon foreign goods sold in our markets is paid by the consumer" as "students of maxims, and not of the markets"—a phrase that was soon immensely popular with the country.

"The Republican party, said he, "holds that a protective tariff is constitutional, wholesome and necessary. We do not offer a fixed schedule, but a principle. We will revise the schedule, modify the rates, but always with an intelligent provision as to the effect upon domestic production and the wages of our working people. We believe it to be one of the worthy objects of tariff legislation to preserve the American market for American producers and to maintain the American scale of wages by adequate discriminating duties upon foreign competing products. The effect of lower rates and larger importations upon the public revenue is contingent and doubtful, but not so the effect upon American production and American wages."

The campaign resulted in a decisive Republican victory. General Harrison received 233 electoral votes to 168 for Mr. Cleveland. Congress also was Republican in both branches—the Senate, Republicans 47, Democrats 37; the House, Republicans 173, Democrats 157.

In his annual message of December 3, 1888, at the

opening of the second session of the Fiftieth Congress, Mr. Cleveland observed that with its expiration "the first century of our constitutional existence as a Nation will have been completed." Nor could he view the future without fear and dismay, for while we could "view with pride and satisfaction the bright picture of our country's growth and prosperity, yet a closer scrutiny develops a sombre shading. Upon more careful inspection we find the wealth and luxury of our cities mingled with poverty and wretchedness and unremunerative toil." . . . . . "The people must still be taxed for the support of the Government under the operation of tariff laws. . . . . The farmers were forced by the action of the Government to pay for the benefit of others such enhanced prices for the things they need that the scanty returns of their labor fail to furnish their support, or leave margin for accumulation."

"Our workingmen, too," continued Mr. Cleveland, "enfranchised from all delusions, and no longer frightened by the cry that their wages are endangered by a just revision of our tariff laws, will reasonably demand through such revision steadier employment, cheaper means of living in their homes, freedom for themselves and their children from the doom of perpetual servitude, and an open door to their advancement beyond the limits of a laboring class. Others of our citizens whose comforts and expenditures are measured by moderate salaries and fixed incomes will insist upon the fairness and justice of cheapening the cost of necessaries for themselves and their families."

Such was the fair promise of "tariff reform"—good wages, steady employment, cheaper living, and indus-

trial, commercial, and social advancement. We shall see how it was kept in later years after only a partial triumph of the theories and policy it involved.

The Senate immediately resumed consideration of "the Mills bill," the pending question being on the adoption of the substitute offered by the Finance Commitee. The bill was debated from December 5th until January 22nd, when the substitute, as amended in Committee of the Whole, was concurred in and the bill passed by a strictly party vote—yeas, Republicans, thirty-two; nays, Democrats, thirty. When the bill reached the House it was referred to the Committee on Ways and Means. On February 15th Mr. Mills reported it back as originally passed by the House, with the Senate substitute, and a resolution to the effect that the substitute being in effect "another and different bill," it was in direct "conflict with the true intent and purpose of Section seven, Article I, of the Constitution (which vests in the House the sole power to originate revenue measures) and should be returned to the Senate." No vote was then taken, but on February 23rd, Mr. Randall raised the question of consideration. The motion was lost—yeas 89, all Democrats, but two Independents; nays 144, all Republicans, except thirty, while eighty-nine members did not vote at all.

Hon. Richard P. Bland, of Missouri, moved to reconsider this vote, but Mr. Randall moved to lay that motion on the table, and this was agreed to—yeas 165, all Republicans but forty-two; nays 83, all Democrats. This ended the fight. No further action or vote was taken, and so the Senate substitute was not considered in the House at all.

Hon. Henry H. Cowles, of North Carolina, introduced a bill in the House on January 14, 1889, to amend the internal revenue laws, being the same as the provisions of that part of the Mills bill. He moved that it be referred to the Committee on Appropriations instead of Ways and Means, and it was agreed to—yeas 126, all Republicans but twenty-four; nays 91, all Democrats; not voting 106. Mr. Randall reported the bill favorably on February 16th, and it was referred to the Committee of the Whole. On the 22nd he reported a rule providing for its consideration, from the Committee on Rules, but neither the bill nor rule ever secured further attention.

On the same day, Hon. John M. Brower, of North Carolina, introduced a bill to repeal the tobacco tax in all its forms, and moved that it be referred to the Committee on War Claims. It was lost—yeas 101, all Republicans but five; nays 117, all Democrats but five; and 105 not voting. The bill was then referred to the Committee on Ways and Means, and despite another effort at consideration on January 21st, it was never reported to the House.

President Harrison made but brief reference to the tariff in his inaugural address of March 4, 1889. "It will be the duty of Congress," said he, "wisely to forecast any extraordinary demands, and, having added them to our ordinary expenditures, to so adjust our revenue laws that no considerable annual surplus will remain. We will fortunately be able to apply to the redemption of the public debt any small and unforeseen excess of revenue. This is better than to reduce our income below our necessary expenditures, with the resulting choice

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between another change of our revenue laws and an increase of the public debt. It is quite possible, I am sure, to effect the necessary reduction in our revenues without breaking down our protective tariff or seriously injuring any domestic industry."

The House of Representatives in the Fifty-first Congress organized by electing Hon. Thomas B. Reed, of Maine, Speaker, who appointed the following members as the Committee on Ways and Means: William McKinley, of Ohio, Chairman, Julius C. Burrows, of Michigan, Thomas M. Bayne, of Pennsylvania, Nelson Dingley, Jr., of Maine, Joseph McKenna, of California, Sereno E. Payne, of New York, Robert M. LaFollette, of Wisconsin, John H. Gear, of Iowa, Republicans; Roger Q. Mills, of Texas, Benton McMillan, of Tennessee, Roswell P. Flower, of New York, Henry G. Turner, of Georgia, Democrats.

Mr. Harrison gave direct, intelligent, and effective consideration to the tariff in his first annual message to Congress, December 3, 1889. He said:

"I recommend a revision of our tariff law, both in the administrative features and in the schedules. The need of the former is generally conceded, and an agreement upon the evils and inconveniences to be remedied and the best methods for their correction will probably not be difficult. Uniformity of valuation at all our ports is essential, and effective measures should be taken to secure it. It it equally desirable that questions affecting rates and classifications should be promptly decided. The preparation of a new schedule of customs duties is a matter of great delicacy because of its direct effect upon the business of the country, and

of great difficulty by reason of the wide divergence of opinion as to the objects that may properly be promoted by such legislation. Some disturbance of business may, perhaps, result from the consideration of this subject by Congress, but this temporary ill-effect will be reduced to the minimum by prompt action and by the assurance which the country already enjoys that any necessary changes will be so made as not to impair the just and reasonable protection of our home industries. The inequalities of the law should be adjusted, but the protective principle should be maintained and fairly applied to the products of our farms as well as our shops. These duties necessarily have relation to other things beside the public revenues. We can not limit their effects by fixing our eyes on the public Treasury alone. They have a direct relation to home production, to work, to wages, and to the commercial independence of our country, and the wise and patriotic legislator should enlarge the field of his vision to include all of these. The necessary reduction in our public revenues can, I am sure, be made without making the smaller burden more onerous than the larger, by reason of the disabilities and limitations which the process of reduction puts upon both capital and labor. The free list can very safely be extended by placing thereon articles that do not offer injurious competition to such domestic products as our home labor can supply. The removal of the internal tax upon tobacco would relieve an important agricultural product from a burden which was imposed only because our revenue from customs duties was insufficient for the public needs. If safe provision against fraud can be devised, the removal of

the tax upon spirits used in the arts and in manufactures would also offer an unobjectionable method of reducing the surplus."

On December 17th, Mr. McKinley introduced the first important tariff measure of the session—a bill "to simplify the laws in relation to the collection of the revenue." Its object was to protect the honest importer in the United States against the unscrupulous and dishonest importer; to protect American producers and dealers from the undervaluations and frauds that had long been practiced upon them; to take the business of importing out of the hands of dishonest men and place it, as it once was, in the hands of honest agents, factors, and merchants. It looked strictly to the faithful collection of the import duties justly due this country; for it was notorious that for years past, by an iniquitous system of consignments and undervaluations, and the establishment of foreign agencies on this side the Atlantic, we had not collected by from one-fourth to one-half the duty properly due the United States on the true valuation of the goods and products imported. The bill encountered strong opposition, but passed the House on March 5th by a party vote—yeas (Republicans) 138, nays (Democrats) 121. It was reported in the Senate, on March 20th, and passed that body, as amended, on May 3rd---yeas 35, all Republicans; nays 18, all Democrats. The House refused to concur in the Senate amendments, and the bill went to a Committee of Conference consisting of Senators Allison, Aldrich, and McPherson, and Representatives McKinley, Burrows, and Carlisle, who agreed upon a report that

was adopted by both houses, and the bill became a law by the approval of the President on June 10, 1890. It was similar in its provisions to a bill introduced in the Fiftieth Congress, as the outgrowth of a careful, non-partisan investigation by the Senate Committee on Finance, and proved a wise and salutary measure.

True to the demand of the Chicago platform, Mr. Sherman introduced, as Senate Bill No. 1 of this Congress, on January 14, 1890, a bill declaring the creation of trusts and combinations in restraint of trade and production was against public policy, and therefore unlawful and void. It was referred to the Committee on Finance, who, on March 18th, reported a substitute, which in turn was much debated and amended, and then referred to the Committee on Judiciary with instructions to report within thirty days—yeas thirty-one, nine Republicans and twenty-two Democrats; nays twenty-eight, six Democrats and twenty-two Republicans. This substitute was entitled, "A bill to protect trade and commerce against unlawful restraints and monopolies." It was reported to the Senate on April 8th, and passed that body by a vote of fifty-two yeas to one nay—Mr. Blodgett, a Democrat, of New Jersey. The House considered the measure on May 1st, and after adding a section, proposed by Mr. Bland, of Missouri, relative to agreements to prevent competition, passed it without division. The Senate amended Mr. Bland's amendment, but the House refused to concur in its change, and Mr. Ezra B. Taylor, of Ohio, Mr. Stewart, of Vermont, and Mr. Bland were appointed a committee of conference on the part of the House, and Mr. Edmunds, of Vermont,

Mr. Hoar, of Massachusetts, and Mr. Vest, of Missouri, on part of the Senate. They reported an amendment on June 11th, Messrs. Bland and Vest not concurring, but the report was rejected by the House—yeas twelve, nays 115. Mr. Stewart moved that the House insist on its disagreement and ask for a second committee of conference, which was agreed to—yeas 106, all Republicans, nays 98, all Democrats but one. The new committee was the same as the old, except that Mr. Bland was relieved by Hon. David B. Culbertson, of Texas. They recommended that both houses recede from their respective amendments (Senator Vest not signing the report), and the report was adopted by the Senate without a division, and by the House by a vote of yeas 242, nays none, and eighty-five not voting. It was approved by the President on July 2, 1890, and is important for the precedent it established, as the initial legislation by Congress in this field.

On April 29th, a bill was reported from the Ways and Means Committee, by Mr. Dingley, to provide for the classification of all worsteds as woolen cloths. It met with but little open opposition and was passed by the House on the day following. In the Senate the bill was taken up on May 8th, and, after several futile attempts at amendment, was passed—yeas thirty, all Republicans except one; nay twenty, all Democrats.

On April 16th, Mr. McKinley, Chairman of the Committee on Ways and Means, introduced the general tariff bill, entitled, "A bill to reduce the revenue and equalize the duty on imports, and for other purposes." He offered the bill with the majority report, while Mr. Mills presented the views of himself and the other

Democratic members of the Committee, and Mr. McKenna submitted his own views upon the bounty on sugar, upon which alone he dissented from his Republican colleagues.

The bill had been for nearly four months under constant consideration by the Ways and Means Committee, during which period every interest in the country that had asked for it had been given a hearing. Manufacturers, merchants, farmers, Grangers, members of the Farmers' Alliance, agents, factors, wool-growers,—freetraders and protectionists—all who presented themselves to the Committee were freely, fully, and patiently heard. The minority party, equally with the majority party, was given every facility to present its views, and both those who opposed and those who advocated the bill were urged to present any testimony they could in support of their respective positions. The measure was brought up for discussion on May 7th, when it was determined to limit general debate to four days, in the Commiatee of the Whole, and then allow eight days for consideration, section by section, under the five-minutes rule.

It is impossible to attempt to follow this debate, or even to intelligently summarize the numerous speeches made during its progress. Perhaps, however, a fairly good idea of the views of its friends may be gathered from the following extracts from the report of the Committee, namely:

"The Committee on Ways and Means, to whom was referred that part of the message of the President of the United States relating to public revenues, have carefully considered the subject, and report back the

accompanying bill with a favorable recommendation. We are advised from the annual report of the Secretary of the Treasury that the ordinary revenues of the Government, actual and estimated, for the fiscal year ending June 30, 1890, will be $385,000,000, and that the expenditures for the same period, actual and estimated, will be $293,000,000, leaving a surplus of $92,000,000. The estimated amount required for the sinking fund will be $48,321,116, leaving an estimated net surplus of $43,678,883. The excess of revenues over expenses estimated for the fiscal year ending June 30, 1891, we are advised from the same source, will amount to $43,569,522.30, which, with the amount of cash now on hand and available, reaching nearly $90,000,000, the Committee believe, will justify a reduction of the revenue in the sum contemplated by this bill.

"It is framed in the interest of the people of the United States. It is for the better defense of American homes and American industries. While securing the needed revenue, its provisions look to the occupations of our own people, their comfort and their welfare; to the successful prosecution of industrial enterprises already started, and to the opening of new lines of production where our conditions and resources will admit. Ample revenues for the wants of the Government are provided by this bill, and every reasonable encouragement is given to productive enterprises and to the labor employed therein. The aim has been to impose duties upon such foreign products as compete with our own, whether of the soil or the shop, and to enlarge the free list wherever this can be done without

injury to any American industry, or wherever an existing home industry can be helped without detriment to another industry which is equally worthy of the protecting care of the Government.

"The Committee believe that, inasmuch as nearly $300,000,000 are annually required to meet the expenses of the Government, it is wiser to tax those foreign products which seek a market here in competition with our own than to tax our domestic products or the non-competing foreign products. The Committee, responding as it believes to the sentiment of the country and the recommendations of the President, submit what they consider to be a just and equitable revision of the tariff, which, while preserving that measure of protection which is required for our industrial independence, will secure a reduction of the revenue both from customs and internal revenue sources. We have not looked alone to a reduction of the revenue, but have kept steadily in view the interests of our producing classes, and have been ever mindful of that which is due to our political conditions, our labor and the character of our citizenship. We have realized that a reduction of duties below the difference between the cost of labor and production in competing countries and our own would result either in the abandonment of much of our manufacturing here or in the depression of our labor. Either result would bring disaster the extent of which no one can measure. We have recommended no duty above the point of difference between the normal cost of production here, including labor, and the cost of like production in the countries which seek our markets, nor have we hesitated to give this measure of

duty even though it involved an increase over present rates and showed an advance of percentages and ad valorem equivalents. We have not sought to make a uniform rate of duty upon all imported articles. This would have been manifestly unjust and inequitable. We possess advantages in some branches of production which offset the necessity for the highest duties, and these have been fully recognized in the arrangement and adjustment of rates. The labor cost of any two manufactured products which may be mentioned is not the same, one being largely the product of machinery and the other largely the product of hand labor, and therefore, while one product requires one rate of duty for protection, another product may require another and different one to afford equal protection. We have sought to look at the conditions of each industry at home and its relations to foreign competition, and provide for that duty which would be adequate in each case.

"The Committee have already reported and the House passed a bill for the revision of the administrative features of the customs law, which will remedy many of the evils and inconveniences now existing. For the purpose of convenient reference each distinct paragraph in the schedules of the bill is numbered. This has been done heretofore in the editions of the tariff issued by the Treasury Department, but has not had legislative sanction.

"The present provision in the free list for 'articles imported for the use of the United States, provided that the price of the same did not include the duty,' is omitted in the proposed revision. It has been produc-

tive of fraud and has resulted in other serious abuses. Persons having contracts with the United States, under color of the law, have fraudulently imported large quantities of material for sale with a resulting loss to the revenue. The provision also works injury to our own people by inviting foreign competition in the matter of Government contracts. The remission of duty in such cases is in effect a premium offered the foreigner to compete with the honest importer who pays duty, as also with the domestic producer. It is unwise to remit duties when the money goes neither into the public treasury nor the pockets of our own people, but to enrich their foreign competitors. The Government ought not to buy abroad what it can buy at home. Nor should it be exempted from the laws it imposes upon its citizens. The United States gains nothing while the citizen loses by this provision. These considerations, it is believed, warrant the proposed change.

"Section five forbids entry to merchandise not plainly marked, stamped, branded, or labeled in legible English words, with the name of the country in which it is manufactured, with the purpose of protecting both our own people from the imposition of inferior goods and the revenue from possible loss through undervaluation.

"Section 17 is a modification of section 2496, Revised Statutes. The present section provides that articles in violation of registered trademark shall not be admitted to entry. It does not prohibit their importation or prescribe their forfeiture, and the result is that such goods can only be taken possession of by the collector as unclaimed, retained the required length of time, and sold,

which course secures their distribution in this country in direct contravention of the intent of the statute. The domestic interests sought to be protected are thus compelled to buy them up in order to protect themselves. It is proposed by this amendment to admit such articles to entry for exportation only within three months of their importation; otherwise that they be forfeited. The admitted superiority of certain lines of American goods has induced the importation of foreign imitations of inferior quality, with American brands, to be put on our market as the superior goods of American manufacture. Inferior goods, the manufacture of one country, have also been imported and sold bearing the marks of the superior manufacturers of established reputation of another country. A practice has also grown up of importing goods under invoices authenticated in a country other, and in a currency of less value, than of the country of manufacture.

"Section 22 provides for a uniform rate of drawback on manufactured articles exported or articles on which duty has been paid, of the amount paid less one per cent. for expenses. Heretofore the rate has varied on different articles. In some cases the entire duty has been refunded and in others the duty less ten per cent. The Government ought to be re-imbursed the expenses involved in the transaction, and it is believed this will be done by the retention of one per cent.

"Section 24 contains an important provision never before enacted in any American tariff law. It declares that all goods, wares, articles and merchandise manufactured wholly or in part in any foreign country by convict labor shall not be entitled to entry at any

of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized to prescribe such regulations as may be necessary for the enforcement of this provision.

"Many drugs and chemicals which are not produced in the United States have been placed on the free list. These chemicals are chiefly used in manufacturing industries. The recommendation that they be made free will reduce the cost in the manufactures of which they form a part, and it is believed by the Committee will result in a benefit to the consumer. The amount of duty remitted by placing these articles on the free list is the sum of $876,304.

"The rates of duty upon earthen and China ware have not been materially changed. The existing duties have resulted in the establishment of large manufacturing plants with great benefit to the consumer. This ware has been cheapened to the people under the advance of duty in 1883, and a continuance of the duty is believed to be essential to the maintenance of this industry and will secure still greater benefits to the consumer. An increase of duty has been recommended upon glassware. This is believed to be necessary to compensate for the difference in the cost of labor here and in competing countries, and to protect our industries from destructive foreign competition.

"By the proposed bill the duties on first and second class wools are made eleven and twelve cents a pound, as against ten and twelve under existing law. On third-class wool, costing twelve cents or less, the duty is raised from 2½ cents a pound to 3½ cents, and

upon wools of the third class costing above twelve cents, the duty recommended is an advance from five to eight cents per pound. The bill which passed the Senate in 1888 made the dividing line on third-class wools at twelve cents with the same rates of duty upon all classes of wool except third-class costing less than twelve cents, as herein recommended. The Senate fixed the duty upon that grade at four cents, while the Committee recommended 3½ cents. It is believed, however, that with the restrictions, definitions, and classifications, and the addition of port charges to the foreign cost recommended in the proposed bill, this difference will be fully compensated. The United States ought to produce all of the wool it consumes, and will with adequate encouragement and defensive legislation. The amount of wool consumed in all forms and for all purposes, is nearly, if not quite, 600,000,000 pounds annually. In January, 1889, there were in the country 42,599,079 sheep, producing about 245,000,000 pounds of unwashed wool, while the imports for the last fiscal year in all forms, wool, clothing, and carpet, is estimated at about 350,000,000 pounds. There were imported of clothing wools 29,224,522 pounds; of combed wools 6,871,666 pounds, and of carpet wools, so-called, 90,391,-541 pounds; of waste, 8,662,209 pounds—practically scoured wools; and the value of woolen and worsted goods imported was $52,564,942, representing about 160,000,000 pounds of wool. A considerable amount of wool was imported as carpet wool, at a duty of only 2½ cents a pound, which was used in the manufacture of clothing, and should have paid the clothing and higher wool duty. There seems to be no doubt

that with the protection afforded by the increased duties recommended in the bill, the farmers of the United States will be able at an early day to supply substantially all of the home demand, and the great benefit such production will be to the agricultural interests of the country can not be estimated. The production of 600,000,000 pounds of wool would require about 100,000,000 sheep, or an addition of more than 100 per cent. to the present number. It will be noticed that in 1860, after fouateen years of revenue tariff, the total production of domestic wool was 60,264,913 pounds, or 1.7 pounds per capita, while in 1884, after twenty-four years of protection, the total production had increased to 308,000,000 pounds, or 5.4 pounds per capita. This increase justifies the policy of affording this important agricultural product adequate protection. The bill seeks to stop the frauds which have been so shamelessly practiced in the past in violation not only of the spirit but the letter of the law. The preparation of wools under new names and forms, to avoid legal duties, has been very generally practiced. Noils, ring waste, garneted waste, slubbing waste, carbonated waste, roping and roving, have been imported into this country at the duty on unwashed wool, when they were in fact washed and scoured, partly manufactured and ready to go into our looms. It is believed that if the provisions of this bill be adopted these violations will be prevented and this gross injustice to the wool growers of our country remedied.

"The increase of the duty on clothing wool and substitutes for wool to protect the wool growers of this

country, and the well understood fact that the tariff of 1883, and the construction given to the worsted clause, reduced the duties on many grades of woolen goods to a point that invited increasing importations, to the serious injury of our woolen manufacturers and wool growers, necessitates raising the duties on woolen yarn, cloth, and dress goods to a point which will insure the holding of our home market for these manufactures to a much greater extent than is now possible. The necessity of this increase is apparent in view of the fact already stated that during the last fiscal year there were imports of manufactures of wool of the foreign value of $52,681,482, as shown by the under-valued invoices, and the real value in our market of nearly $90,000,000 —fully one-fourth of our entire home consumption— equivalent to an import of at least 160,000,000 pounds of wool in the form of manufactured goods. In revising the woolen goods schedule so as to afford adequate protection to our woolen manufacturers and wool growers, we have continued the system of compound duties which have proved to be so essential in any tariff which protects wool, providing first for a specific compensatory pound or square yard duty, equivalent to the duty which would be paid on the wool if imported, for the benefit of the wool grower, and an ad valorem duty of from 30 to 50 per cent., according to the proportion of labor required in the manufacture of the several classes of goods, as a protection to the manufacturer against foreign competition and ten per cent. additional upon ready-made clothing for the protection of the clothing manufacturers. The existing tariff gives an ad valorem duty of from thirty-five to forty-five per cent. for the

protection of the woolen manufacturer, and the bill which passed the House at the first session of the Fiftieth Congress which abolished all duties on wool and consequently the equivalent specific compensatory duties on manufactures of wool, gave a uniform duty of forty per cent. on all woolen goods without regard to their character. This duty is more than is required for unfinished goods like cheap blankets and flannels, and less than is requisite for fine finished manufactures of wool, which are being imported in so large quantities. For this reason, and to adapt the duties to the comparative cost of manufacturing different woolen fabrics, we have given thirty per cent. to the lowest grade of blankets and flannels, thirty-five per cent. to the medium grades, forty per cent. to the highest grades of blankets (flannels valued about fifty cents per pound being classed as "dress goods," which they practically are), carpets and the lower grades of finished cloth and cotton-warp dress goods, and fifty per cent. to the finer grades of finished cloth and to all-wool dress goods, requiring the highest skill and greatest amount of labor. These advanced rates on the better grades of goods for the protection of the manufacturers, with specific duties fully compensatory for the duties on wool, will, it is believed, have the effect to largely diminish importations of manufactures of wool, and consequently to reduce the revenue instead of increasing the revenue as would be the case if the importation should continue the same. From the best information we can obtain, it is probable that the increased rates of duty given to manufactures of woolens will reduce, certainly not increase, the revenue from this source, and transfer to

this country the manufacture of from $15,000,000 to $20,000,000 of woolen goods now made abroad.

"In the metal schedule no change of duty has been recommended upon iron ore or iron in pigs. These duties, it is believed, can not be lowered without detriment to existing industries, and we have not felt justified in interfering with the further development of our iron ore resources, now so promising, in the Southern States. With regard to pig iron, it may be said that it is in no sense a raw material. It is a product of the highest skill, requiring for its manufacture large and expensive plants, the capital invested in which in our country to-day more than equals that which is invested in any other branch of our iron and steel industries. Pig-iron is made in twenty-five States of the Union. Its manufacture is increasing rapidly in many States, largely as the result of the protective duty which has long given encouragement to its production. It has had a marvelously rapid growth in the Southern and Western States in the last ten years, and it is to-day the leading manufacturing industry south of the Potomac and Ohio rivers. It has been the most potent of all influences in the industrial rehabilitation of the South. To reduce the duty on pig-iron, and on scrap-iron and scrap-steel, which are substitutes for pig-iron, would annually bring into our ports many shiploads of these products to take the place of pig-iron which could be produced at home, and it would correspondingly reduce the demand for coal and iron ore. This is a result which is surely not to be desired.

"There has been an increase of duties upon cutlery, believed by the Committee to be absolutely necessary

to the maintenance of this industry in the United States. The competition from Germany and other countries has been so ruinous as to have already destroyed some of the manufactures, and threatens without this increased duty to wipe out the remaining ones.

"It has been demonstrated that we can manufacture tin plate in the United States as successfully as it can be done in England. Its production here suitable for all uses is no longer experimental. We make sheet iron and sheet steel, and it is confidently believed that we have in the Dakotas pig tin in sufficient quantities for use in making all of the tin required for this market; and if this were not so, pig tin is on the free list, accessible to our people for manufacturing purposes. There is no reason except inadequate protection why we are not to-day manufacturing the more than $21,000,000 worth of tin now imported into the United States and upon which we pay an annual duty of over $7,000,000. It is estimated that the establishment of an industry which would supply our own market in this particular would furnish steady employment to at least twenty four thousand men. The bill provides that the increased duties shall not go into effect until July 1, 1891, and it is believed that manufacturers, encouraged by this proposed legislation in the meantime, will adapt their plants to the new production, and that in the end the advanced duty will not enhance the cost to the consumer, but eventuate in lower and steadier prices to the American consumer. To the end that there may be no interruption of our export trade of canned products by reason of the proposed change, the Committee recommend that upon tin imported and exported, made up,

the Government shall retain but one per cent. of the duty instead of ten per cent., as provided by existing law. If the recommendation of the Committee is adopted, it is believed a new and important industry will be secured to the United States, with large resultant benefits to the people.

"The Committee recommend that sugar up to and including No. 16 Dutch standard in color, and molasses, be placed on the free list, with a duty of four-tenths of one cent per pound on refined sugar above No. 16; and that a bounty of two cents per pound be paid from the Treasury for a period of fifteen years for all sugar polarizing at least 85 degrees, made in this country from cane, beets, or sorghum produced in the United States. In 1888 the consumption of sugar in the United States was 1,469,997 tons, or 53.1 pounds per inhabitant. Of this only 189,814 tons (375,004,197 pounds) were produced in the United States, and 1,280,183 tons, or seven-eighths of our consumption, were imported. We have not at hand the statistics of sugar consumption and production for 1889, but the relative proportion of domestic to foreign production was substantially the same. So large a proportion of our sugar is imported that the home production of sugar does not materially affect the price, and the duty is therefore a tax, which is added to the price not only of the imported but of the domestic product, which is not true of duties imposed on articles produced or made here, substantially to the extent of our wants. In 1889 the duties collected on imported sugar and molasses amounted to $55,975,610. Add to this the increase of price of domestic sugar arising from the duty, and it is clear that the

duty on sugar and molasses made the cost of the sugar and molasses consumed by the people of this country at least $64,000,000, or about one dollar for each man, woman and child in the United States, more than it would have been if no such duties had been levied and the domestic product had remained the same. Even on the assumption that, with proper encouragement, we shall eventually be able to produce all, or nearly all, the sugar required for the consumption of our people—an assumption which your Committee believes to be sustained by many facts, notwithstanding the slow progress thus far made in sugar culture in this country. This encouragement can be given much more economically and effectively by a bounty of two cents per pound, involving the expenditure of but a little more than $7,000,000 per annum with the present production of sugar in this country, than by the imposition of a duty involving the collection of $55,975,610 in duties in the last fiscal year, not to mention the amount directly involved. When it is considered that this increase in cost due to the duty on sugar falls on an article of prime necessity as food, your Committee are persuaded that justice as well as good policy requires that such an unnecessary burden in the way of a direct tax should be removed from sugar, and that the encouragement required to induce the production of sugar in the United States should be given through a bounty rather than by an import duty. In providing that not only raw sugar, but also sugar up to and including No. 16 shall be admitted free of duty, an opportunity is given for the free introduction of yellow sugar suited for family use, an arrangement which will secure to our

people sugar at the lowest price existing in the markets of the world, while even imported white refined sugars will be subject to a duty of only four-tenths of one cent per pound.

"The free list has been enlarged by the addition of the following articles: Books and pamphlets printed exclusively in languages other than English; books and music in raised letters printed exclusively for the blind; braids, plaits, laces, flats; bristles, raw; chicory root, raw, dried, or undried, but unground; coal tar, crude, and pitch of coal tar; dandelion roots, raw, dried or unground, acorns, bees wax; floor matting manufactured from round or split straw, including what is commonly known as Chinese matting; currants, Zante and other; dates; grass and fibers; jute; jute butts; manilla; sisal-grass; Sunn and all other textile grasses of fibrous vegetable substance, unmanufactured; degras and other grease; hair, human, raw, uncleaned, and not drawn; molasses; needles, hand, sewing, and darning; nut oil or oil of nuts; olive-oil for manufacturing and mechancial purposes, unfit for eating; opium, unmanufactured; ore, nickel; potash, crude or black salts, chlorate of, nitrate of crude, sulphate of crude; red earth or raddle, used for polishing lenses; seeds; hemp, rope, bulbs, bulbous roots, not edible; shotguns, barrel or barrels, rough or bored; sponges; sugar up to and including No. 16 Dutch standard in color; tar and pitch of wood; tinsel wire, lame or lahn; tobacco stems; sulphur ore, as pyrites or sulphuret of iron containing an excess of sulphur; turpentine, spirits of; and briar-wood, manufactured.

"The Committee have given months of investigation

to the existing conditions of agriculture and matters connected therewith. This great industry is foremost in magnitude and importance in our country. Its success and prosperity are vital to the Nation. No prosperity is possible to other industries if agriculture languishes. In so far as the fostering care of the Government can be helpful, it must be faithfully and forcefully exerted to build up and strengthen agriculture. That there is wide spread depression in this industry to-day can not be doubted. Every remedy within the scope of practical legislation known to your Committee has been recommended in the proposed measure to meet the urgent requirements of the situation. The enemies of the protective system have no word of criticism for the real causes of agricultural depression, no suggestion of relief from the real burdens which are weighing it down to-day; but, seizing the present as a favorable time, they solemnly charge that the decline in our market is solely due to the tariff. They are pleased to ignore the fact that one of the purposes of a protective tariff is to hinder a still larger importation of foreign produce, and thus save the market from still greater depression. The friends of larger foreign importations feel no apprehension or alarm at the rapidly increasing volume of foreign agricultural produce pouring into our markets. These and all other actual perils they pass by. They are silent to this danger which offers real harm to American agriculture and clamor against its only safeguard and protection. But your Committee, sensible to the importance of this industry, prompted by the single motive to lift it to the highest level of profitable employment, believe

that they offer in the bill presented, all the relief which tariff legislation can give to it. A critical examination of the subject will show that agriculture is suffering chiefly from a most damaging foreign competition in our home market. The increase in importations of agricultural products since 1850 has been enormous, amounting from $40,000,000 to more than $356,000,000, in 1889. This is an increase of nearly 900 per cent., while the population increased for the same period less than 300 per cent. During the past ten years this growth in importation has been most rapid, and has been marked by a significant and corresponding decline in prices of the home-grown product. Upon the products of chief reliance to our farmers, competition, not only abroad but at home, with the poorly-paid labor of Europe and cheap labor of Egypt and India, is depriving our produce markets and sweeping the margins of profits from the farmers of the country. The "world's market," to which the advocates of tariff for revenue only invite the farmers of this country, is to-day crowded with the products of the cheapest human labor the earth affords. All over the Old World there is a rush of their surplus to that market, and it is to such a contest as this that free trade would allure American agriculture. With the foreign grain market under the sway of such oppressive competition, with the foreign cattle and pork market depressed and obstructed by various ruinous measures of restriction, with foreign agricultural products crowding our home market, your Committee have recommended an increase of rates upon agricultural products. The establishment of agricultural experiment stations under Federal supervision,

the energetic research into the resources of the different sections of the country, the application of scientific principles to agriculture under the efficient administration of the Department of Agriculture, make this a most opportune time to encourage and foster, by the application of the protective principle, the development of new industries on the farm.

"We advance the rates upon the products of the soil which either do supply or can be brought to supply the home consumption. Horses, cattle, hogs, sheep, bacon, barley, beans, peas, beef, mutton, pork, buckwheat, butter, cheese, eggs, hay, hops, milk, poultry, flax-seed, vegetables, potatoes, flax, hemp, hides, wool, tobacco, and many other products are advanced with a view to save this entire market to the American farmer. As indicating the general line of policy pursued in changing rates in this schedule your Committee can only, in the scope of this report, note a few articles illustrative of all. In the last ten years not less than $60,000,000 worth of horses, cattle and sheep, ordinary marketable stock, has been imported. A portion of these have paid twenty per cent. ad valorem on a fraudulent undervaluation. A very large proportion have come in free, professedly for breeding purposes, actually for the common markets. The duty has been changed to a specific rate and advanced to a point where it will protect the market, while the paragraph in the free list on animals for breeding purposes is so framed as to only admit animals which are pure bred and properly registered. Ten years ago the cultivation of tobacco suitable for cigars promised one of the most certain and profitable investments for agriculture in

many of the Northern States. To-day the industry is crowded from its own market by foreign importations produced by labor costing less than ten cents per day. The value of the tobacco imported from The Netherlands alone for the six months ending December 31st last was nearly $5,000,000. The duty has been increased with a view of protecting the American market for the American grower. Flax and hemp have been advanced upon the positive evidence that the time has come to encourage these two industries from an agricultural stand point. The farmers themselves are ready to enter largely upon the cultivation of flax and hemp fiber under adequate protection. The diversity of our soil and climate beyond question invites us to the establishment of these industries. Samples of every grade of American grown flax, from the coarsest to the finest, have been examined by your Committee, and they are convinced that if the production of the fiber and the weaving of the fabric be given a fair measure of protection against the low wages paid in the several flax-growing countries of Europe, a few years will build up an immense industry in the United States of inestimable benefit to agriculture.

"The Committee have recommended changes in the internal revenue laws as follows: Abolishing the tax on dealers in leaf tobacco, which will relieve 4,872 tax-payers and reduce the revenues $48,570.88; abolishing the tax on dealers in manufactured tobacco, which will relieve 590,013 tax-payers from the payment of a small but vexatious tax, and will reduce the revenue $1,280,-015.98; abolishing the tax on manufacturers of tobacco, which will relieve 902 tax-payers and reduce the rev-

enue $5,128.25; abolishing the tax on manufacturers of cigars, which will relieve 20,684 tax-payers and reduce the revenue $120,195.53; abolishing the tax on peddlers of tobacco, which will relieve 16,060 tax-payers and reduce the revenue $127,010.88. The Committee recommend a reduction of the tax on smoking and manufactured tobacco from eight cents to four cents per pound, which will effect a reduction of the revenue of $8,538,449.97; snuff from eight cents to four cents per pound, which will effect a reduction of the revenue of $322,544.78; and the abolition of the tax on retail dealers in leaf tobacco, effecting a reduction of the revenue of $270.84. They have recommended that all provisions of the statutes imposing restrictions of any kind whatsoever upon farmers and growers of tobacco, in regard to the sale thereof, be repealed. This will enable the farmers and planters to sell their tobacco wherever and to whomsoever they please with the same freedom they now dispose of other agricultural products. They have been advised by the Commissioner of Internal Revenue that the abolition of the special taxes herein proposed can be made with safety and will in no way interfere with the administration of the laws which are to remain.

"The advance of duties on agricultural products, including tobacco and wool and manufactures of wool and sundries, on the supposition that the imports of the next fiscal year would be as large as in the year ending June 30, 1889, would increase the revenue. But the articles on which duties have been increased are for the most part such as we can produce to the extent of our wants, and the increase of duties will have the effect to

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diminish the importations to such an extent that the revenue will not be increased. No other result can follow. The effect of the advance of duties on agricultural products, for example, will be to hold our own markets in larger measure than at present for our own farmers without any increase in the revenue. The same result will follow in other cases of increase, and where the revenue is in special cases increased this increase will be far less than is indicated by a computation based on the theory that importations of such articles will continue as large as under lower duties. In the case of manufactures of wool, where the importations have been enormous because of inadequate duties, there can be no reasonable doubt that the rates of duty proposed will diminish rather than increase the revenue. Your Committee conclude, therefore, that the proposed bill, if enacted into law, will certainly reduce the revenue from imports at least $60,936,536, and probably more, and from the internal revenue $10,327,878, or in the aggregate $71,264,414."

In reply to this report, Mr. Mills offered the views of the minority, which were in part as follows:

"At a time when it is confessed by all parties that the Government does not need additional revenue, but that there ought to be a reduction of its receipts, the bill reported by the majority proposes to levy upon a great many articles of absolute necessity higher rates of duty than were ever heretofore proposed in any measure reported to Congress. These increases of rates are made in every instance for the purpose of restricting trade and thereby affording what is called protection to the producers of similar articles in this country. The

original argument in favor of protective duties was that they were necessary to foster infant industries by preventing ruinous competition from abroad until they could secure a hold on the home market and thus become self-sustaining, and it was again and again predicted by the earlier advocates of the system that a few years of public support would enable them to do this. But the present bill is based upon precisely the opposite view. It is framed upon the assumption that as our industries grow older they grow weaker and more dependent upon the bounty of the Government and the forced contributions of the people who purchase and consume their products; and accordingly we find that, as a general rule, the important increases in the rates of duty are made with a view of still further protecting the products of our oldest industries, such as manufactures of iron and steel, woolen goods, cotton goods, manufactures of flax, hemp, etc. If it be true that these old industries need more protection now than they needed a hundred years ago, it must be because they have been existing under an unnatural and unhealthy system and have lost that spirit of self-reliance and independence which is essential to the permanent growth and prosperity of every business enterprise. Thirty years ago, after a considerable period of low taxes upon imported goods, when it was proposed to increase rates in order to secure revenue, it was not suggested by the most extreme advocates of the protective system that our industries required anything like such high rates of duty as are imposed by this bill.

"For instance, there are a few persons in this country who believe that they could manufacture tin or terne

plate if those who use that necessary article were compelled by law to pay a higher tax upon it, and accordingly the bill now reported proposes to more than double the duties. This will injuriously affect the interests of thousands of laborers now engaged in the manufacture of tin cans and other vessels used in canning fruit, vegetables, meats, and fish, in nearly every part of the country, and it will constitute a direct charge upon the producers and consumers of those various kinds of food; but the theory upon which this bill is based takes no account of the welfare of this great mass of American citizens so long as two or three firms or corporations insist that the tax will be beneficial to them.

"At the same time the bill proposes to make enormous increases in the rates on woolen goods, which all our people are compelled to purchase and use, and very large increases in the rates on some kinds of cotton and linen goods which are absolutely necessary for the health and comfort of all classes. The increase of taxes on wool and woolen and worsted goods, including carpets, amounts to about $15,500,000 per annum, estimated upon the importations of the last fiscal year; but in fact it will be many times that amount by reason of the enhanced prices which consumers will be compelled to pay for the domestic product. While the bill proposes to make this large addition to the tax on woolen clothing and carpets, it also proposes to abolish the internal revenue taxes to the amount of $8,860,994.75 on manufactured chewing and smoking tobacco and snuff, articles which certainly can not be classed among the necessaries of life. While we would be willing

to repeal the internal revenue taxes on tobacco in connection with the reductions upon other articles which the people are obliged to use, as was proposed in the bill which passed the last House, we can not agree to a measure which provides for the abolition of any part of such taxes and at the same time increases the rates of duty of cotton, woolen, and linen clothing, and on earthenware, glassware, table cutlery, and many forms of iron and steel which can not be dispensed with.

"We can not undertake here to point out in detail the numerous increases in the rates of duty on imported goods which this bill proposes to make, but a few will suffice to show the general character of the measure and the purpose of its authors and supporters. The lowest grades of woolen yarn, worth not over 30 cents per pound, are to be subjected to a duty of 112 per cent. while the most costly yarn will pay 72 per cent. One grade of coarse, cheap blankets will be required to pay 106 per cent. but the finest blankets will pay 72 per cent. The coarsest and cheapest woolen hats will be subject to a duty of 111 per cent. and the finest to 66 per cent. Women's and children's cheapest dress goods with cotton warp are to be taxed 106 per cent. and the finest 73 per cent. The lowest grade of woolen cloths will pay 125 per cent. and the highest grade 86 per cent. The cheapest qualities of knit goods for underwear range from 112 to 138 per cent. but the finest and most expensive will pay 78 per cent Woolen shawls of the coarest and lowest grade used by the poorest people, will pay 135 per cent. duty, and worsted goods of the lowest grade will pay 130 per cent. while the highest grade will pay 90 per cent.

"There are many increases of the rates on iron and steel and scarcely any reduction on articles which can be imported at all under the existing rates. The reductions in this schedule, as a general rule, will not diminish taxation to any appreciable extent, while all the increases are so arranged as to obstruct importations and enhance the prices of the domestic articles of the same kind. On common table cutlery the new rates of duty imposed by this bill are very largely in excess of the old ones under which our manufacturing establishments have been successfully carried on for many years, and on the cheaper grades of pocket knives, and razors especially, the rates are greatly increased.

"When the existing tariff was enacted in 1883, large increases were made in the rates of duty on earthenware and glassware, and this was justified upon the ground that the law then passed abolished the duty upon the packages in which these articles were shipped into this country; and it was contended that in view of this fact the actual net increase of duty would be comparatively small. Experience has shown, however, that notwithstanding the abolition of the duty on packages there was a large increase of taxation in this schedule under that act, and therefore there ought now to be a reduction even if the packages remain free. But at the present session of Congress a bill has passed the House, and is now pending in the Senate, reimposing the duties on the packages, and the bill reported by the majority proposes to make still further increases in the rates of duty upon the goods, especially upon glass and glassware. Common window glass, not exceeding 16 by 24 inches square, is increased to 123 per cent.; not exceed-

ing 24 by 30 inches square is raised to over 135 per cent. and all sizes above that are raised to over 138 per cent. while there are very large increases upon bottles and various other manufactures of glass.

"Camel's hair, a raw material extensively used in this country in the manufacture of certain kinds of goods, and which has been admitted free of duty for a great many years, is by this bill taken from the free list and subjected to a tax of twelve cents per pound, which is equivalent to 77 per cent. ad valorem. During the last fiscal year we imported, free of duty, 6,648,097 pounds of this material, which is absolutely necessary to enable some of our manufacturing establishments to carry on their business and supply the goods they are now making for their customers; but if this bill passes and the same quantity is imported next year it will cost the people $797,771.64 in addition to the value of the hair itself.

"The bill proposes to make large increases in the duties on carpet wools, and take silver ores containing lead from the free list and subject the lead contained in the silver ore to a duty of 1½ cents per pound, not because we need the revenue, but for the sole purpose of preventing these articles from being imported into this country. Last year we imported direct from the States and Republics of Central and South America and the Republic of Mexico many million pounds of this wool, and still more by way of London and other European ports, and from Mexico silver ores bearing lead of the value of $6,779,160. Our total importations of carpet wools from all countries amounted to 96,556,466 pounds, and our total importation of this kind of ore

was $6,951,719. All this wool has been converted into carpets and other fabrics, and all these ores have been smelted in the United States by American workmen, and their importation has been of great benefit to our people, in addition to the profit realized from the trade between the different countries. The free admission of fluxing ores from Mexico has enabled our citizens to establish and maintain large smelting works at El Paso, Texas, Argentine, Kansas, Newark, N. J., Kansas City, Mo., and a great many other places. If this bill passes the tax upon 66,000 tons of silver ore, the amount imported last year, will be over $672,000, which the Government does not need and which will benefit nobody in this country. The bill in fact increases the rates of duty on all classes of wool imported into this country.

"For the further purpose of inducing the farmers of the country to believe that they can and will derive some benefit from the protective policy, this bill imposes various rates of duty upon certain important agricultural products, which it is well known could not be imported to any material extent with or without duty. For instance, corn is subjected to a duty of 15 cents a bushel; corn meal, 20 cents per bushel; oats, 15 cents per bushel; rye, 10 cents per bushel; wheat, 25 cents per bushel; wheat flour, 25 per cent. ad valorem; apples, green or ripe, 25 cents per bushel; apples, dried, 2 cents per pound; bacon and hams, 5 cents per pound; beef, mutton, and pork, 2 cents per pound; lard, 2 cents per pound, and tallow, 1 cent per pound. We produce a great surplus of all these articles and many others every year, which we are compelled to send abroad and sell in the free markets

of the world in competition with similar products of other countries. It is impossible to protect the farmer against foreign competition in his home market, for he has no such competition, and the insertion or retention of these articles in a tariff bill is a device which will deceive no one who gives a moment's thought to the subject.

"Under the existing law animals for breeding purposes are admitted free of duty and all others are subject to a tax of 20 per cent. ad valorem; but the bill reported proposes largely to increase this tax and make it specific. It is proposed to levy an import duty of $30 per head on all horses and mules; $10 per head on all cattle over one year old, and $2 per head on all under that age, and $1.50 per head on hogs and sheep. Horses, valued at $150 and over, will pay a duty of 30 per cent., and all animals imported especially for breeding purposes will still be admitted free, but they must be of pure blood, of a recognized breed, and must have been duly registered abroad in the book of records established for that breed. All these increases of duties are claimed to be in the interest of farmers, but in fact they will be vastly more injurious to them and to dairymen than to any other class of our people. Last year we imported dutiable horses to the number of 52,454, of the average value of $42.81; cattle, 62,380, of the average value of $9.68; hogs, 2,396, of the average value of $3.28; and sheep, 454,010, of the average value of $2.98. These animals were brought here mainly, if not entirely, by the farmers themselves, or on their account, to replenish their stock of work beasts, milch cows, and sheep herds. This is evident, we

think, from the low prices of the animals and the localities from which they were imported. For instance, nearly all the horses imported came from Mexico and from Quebec, Ontario, Manitoba, and the Northwest Territory, and the average value of the 29,590 brought from Mexico was $8.80, while the average value of the 17,470 brought from the Dominion was only a little over $100. These were not expensive animals imported for racing purposes, or for use in pleasure carriages, but ordinary stock such as is used upon our farms; and it is evident that the importations from Mexico were ponies for use on the sheep and cattle ranches of the West. The duty on these Mexican horses last year amounted to $52,369, but if this bill passes, and the same number is imported next year, the duty will amount to $887,700, or nearly three and a half times their value. The farmer or dairyman who hereafter imports common cattle for his own use will be required to pay a duty of over 100 per cent., according to the average value of the importations of last year, and he can not import an ordinary animal of any kind for breeding purposes free of duty, as fine stock may be imported, because such an animal is not pure bred, and is therefore not registered abroad. How the farmers are to be helped by the increased duties on live animals we are wholly unable to see, and, in our opinion, if this bill passes, they will be the first to demand a restoration of the old rates, or that these importations may be free.

"The bill proposes to admit, free of duty, all sugar up to and including No. 16 Dutch standard in color, and pay to the sugar producers in this country a bounty

of two cents per pound each year until July 1, 1905, on their product. Last year these grades of sugar which are now made free, yielded to the Government $54,894,181, all of which is now to be surrendered, and the sugar industry is to become an annual charge upon all the people who are engaged in other occupations, some of which are far more important and all of which are fully as meritorious as this one. In 1888, which is the last year for which we have complete returns, the sugar product in this country was 375,855,877 pounds, so that even should there be no increased production under the bounty system the sum which the people are to be compelled to donate each year for the support of this favorite industry will be $7,520,000, or $113,000,000 during the fifteen years. But the very object of the bounty is to encourage the production of this article, and its advocates claim that in a few years it will result in a domestic supply equal to the whole demand for home consumption, In addition to the home product we imported and consumed during the last fiscal year 2,700,421,302 pounds of sugar not above No. 16 in color, making a total annual consumption, including domestic and imported, of 3,076,277,079 pounds, and therefore, if the system results as its advocates predict, the annual payment out of the Treasury will be $61,528,426, even without any increase in the amount now consumed. We protest against the gross favoritism and injustice of such a policy, and we deny the moral or constitutional right of the Government to tax the people who grow corn, wheat, cotton, rye, oats, and other agricultural products for the purpose of raising money to be given to those who produce sugar or any other article.

"It is impossible to state with entire accuracy how much the bill increases taxes upon imported goods, for the reason that there are many large increases of taxation made by it which are not exhibited in the table submitted by the Committee. This table shows that, omitting the sugar schedule, there has been added to the duties on the articles still remaining on the dutiable list the sum of $40,055,152.33; but in addition to this, after January 1, 1894, the duties on brown and bleached linens, ducks, canvas, handkerchiefs, or other woven fabrics, composed of flax, hemp, jute, or of which flax, hemp, or jute, or either of them, shall be the component material of cheap value, containing one hundred or more threads to the square inch, counting either the warp or filling, will be increased to the amount of $1,574,954.57 more than is shown by the tables; and after July 1, 1891, the duty on tin or terne plate will be $8,371,378.67 greater than it was last year upon the same importation, and the increase in the tobacco schedule is, as nearly as we can calculate it, $6,551,855.41 more than the tables show. In our opinion the increase in the tobacco schedule, resulting mainly from the imposition of a duty of $2 per pound on unstemmed leaf for cigar wrappers, will be $16,305,925 instead of $9,754,069.59, as shown by the tables, and we are confident that an analysis of our importations of that article for a series of years past will sustain our position. Even the comparatively brief examination we have been able to make has disclosed other increases not shown by the calculations contained in the tables, amounting to the sum of over $8,000,000, and there are many others which can not be accurately

ascertained for the want of sufficient data as to prices and quantities of importations of last year. Adding these amounts to the $40,055,152.33, shows a total increase of duties on articles still dutiable, outside of the sugar schedule, of about $65,000,000, and we are satisfied it is more than that. We do not mean to assert that the bill actually increases the customs revenue $65,000,000 over what it is under existing law, but that it proposes to impose upon the articles it leaves upon the dutiable list, except sugar and molasses, that sum in excess of the amount collected on the same schedules last year. It places upon the free list articles which yielded a revenue of $6,039,969 during the last fiscal year, and it makes a reduction of $54,922,110.56 on sugar and molasses, and these two sums, amounting to $60,962,079.63, being deducted from the $65,000,000 leave a net increase of more than $4,000,000 in tariff taxation under this bill. While the bill proposes to transfer from the dutiable schedules to the free list articles which last year yielded a revenue of $6,039,969.07, it proposes also to transfer from the free list to the dutiable list certain articles, principally raw materials used in manufactures, which, according to the importations during the last fiscal year, will yield a revenue of nearly $3,500,000.

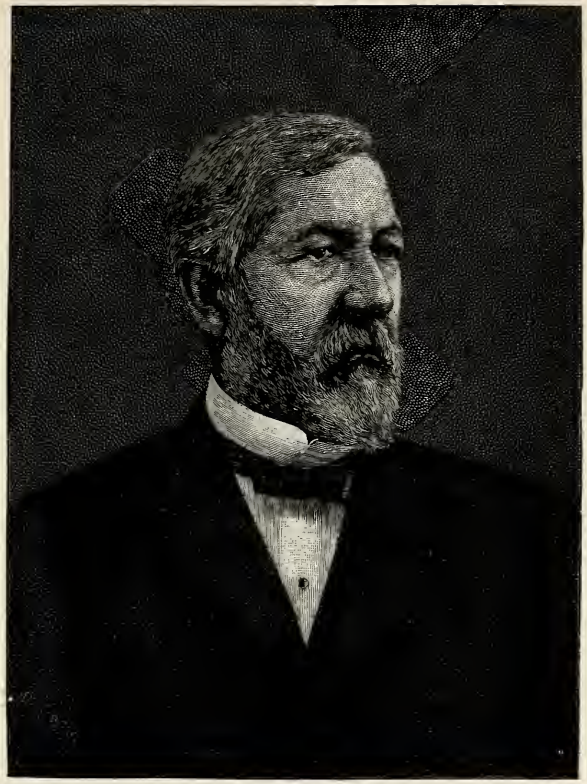
The bill came to a vote, on the question of passage, on May 21st, its opponents making a final effort at its defeat on the following motion: Mr. Carlisle moved that "the pending bill be recommitted to the Committee on Ways and Means, with instructions to report the same back to the House at the earliest possible day so amended by substitute or otherwise as

to reduce the revenues of the Government by reducing the burdens of taxation upon the people, instead of reducing the revenues by imposing prohibitory rates of taxation upon imported goods,"—which was disagreed to, yeas 140, all Democrats; nays 164, all Republicans. The bill was then passed—yeas 164, all Republicans; nays 142, all Democrats but two, one Republican and one Independent, while twenty-one members, six Republicans and fifteen Democrats did not vote. New England cast twenty-one votes for the bill and three against it; the Middle States, yeas forty-eight, nays twenty-eight; the Western and Northwestern States, yeas seventy-five, nays thirty-one; the Southern and Southwestern, yeas eleven, nays seventy-eight, and the Pacific, yeas nine, nays two.

The bill was reported by Mr. Morrill from the Senate Finance Committee on June 18th, and was constantly considered, with various intervals, in Committee of the Whole, until September 8th. An interesting colloquy occurred between Senators McPherson and Sherman on July 25th, occasioned by the motion of the former to recommit the bill to the Finance Committee with instructions to prepare a bill which would "reduce the average ad valorem rate of duty on dutiable articles, based upon the importations of 1889, so as not to exceed the average ad valorem war tariff rate of 1864," which he stated to be 39.69 per cent. To this Mr. Sherman replied, "that while the rate of duty on dutiable articles is a little less than 52 per cent. under the pending bill, yet on the whole list of articles taken together the average rate of duty is only about 27 per cent. Nearly fifty per cent., or half our

importations under the proposed act, are entirely free of duty, while under the act of 1864 only fifteen to eighteen per cent. of the articles were free of duty. The value of the goods that have heretofore paid duty that are made free by this bill is $108,919,907; which added to the value of those free now makes the grand aggregate of $365,494,573 as the value of all of the articles that will be admitted free of duty under the new law. This is much the largest free list ever known in the history of the country, and almost equals the value of the articles on which duties will be levied by this bill, for while $365,494,537 of imported goods are admitted free of duty, according to the figures of last year, $390,437,117 are subject to duty."

"Now, the striking difference between the tariff policy of 1864 and 1890," said Mr. Sherman. "is this: In 1864 we were involved in war; we levied tariff duties on almost every article of necessity, as well as those articles that we manufacture in this country, and therefore we levied duties not only on sugar, but on tea, coffee, and almost everything else, and when at that time the duties amounted to 46 per cent. on the average, they were upon all articles imported practically. The free list was then only 10, or 12, or 15 per cent., but now on account of the change of conditions, from the fact that we wish to admit duty free all articles that we can not produce in this country, we admit substantially one-half of all imported goods into this country free of duty, and we propose an average duty of 52 per cent. upon those articles that we think we ought to make and can make in this country, and for which we seek by these duties not



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only to get sufficient revenue to carry on the Government, but also to protect and foster and build up American industry at the same time."

The motion to recommit was lost—yeas nineteen, all Democrats; nays twenty-nine, all Republicans.

On September 8th, what was known as "the Reciprocity Amendment," by Mr. Aldrich, of Rhode Island, was agreed to—yeas 37, all Republicans; nays 28, all Democrats but two. This policy had been recommended by the International American Conference then in session in this country, and was in keeping with the long cherished policy of Mr. Blaine and the recommendations of President Harrison in his special message to Congress of June 19, 1890, in which he said:

"It has been so often and so persistently stated that our tariff laws offer an insurmountable barrier to a large exchange of products with the Latin-American nations that I deem it proper to call especial attention to the fact that more than 87 per cent. of the products of these nations sent to our ports are now admitted free. If sugar is placed upon the free list, practically every important article exported from those states will be given untaxed access to our markets, except wool. The real difficulty in the way of negotiating profitable reciprocity treaties is that we have given freely so much that would have had value in the mutual concessions which such treaties imply. I cannot doubt, however, that the present advantages which the products of these near and friendly states enjoy in our markets—though they are not by law exclusive—will, with other considerations, favorably dispose them to adopt such measures, by treaty, or otherwise, as will tend to equalize and greatly enlarge our mutual exchanges."

The Aldrich amendment was also agreed to in open Senate—yeas 38, nays 29; and the bill was passed, as amended, on September 11th—yeas 40, all Republicans, nays, 29, all Democrats. On September 15th the House declined to agree to the Senate amendments and a Committee of Conference was appointed—Messrs. Aldrich, Sherman, Allison, Hiscock, Vorhees, Vance, and Carlisle, for the Senate, and Messrs. McKinley, Burrows, Bayne, Dingley, McMillan, Flower, and Turner, of Georgia, for the House. The bill as it passed the House contained nearly 4,000 items and was amended by the Senate in 445 particulars, more than a hundred of which were purely verbal, and most of the others so slight and unimportant that an agreement was quickly reached. The changes by the Senate in the metal schedule were important, and for the most part acceded to by the House conferees, while in woolens, silks, flax, wood, and paper the Senate conferees conceded the demands of the House. Sugar evoked the most serious contention, and in this schedule a compromise was effected; sugar up to No. 16 Dutch standard was made free, and that above this grade dutiable at a half cent per pound, with an additional rate of one-tenth of a cent upon all sugars coming from countries where an export bounty is paid to the domestic producers. Binding twine, after much disputation, was finally made dutiable at seven-tenths of a cent a pound, and sulphuric acid, for agricultural purposes, was made free. The Aldrich reciprocity amendment was accepted by the House conferees; while the internal revenue sections were in the main accepted by the Senate Committee as the House had passed them.

The bill, as finally agreed upon, was protective in every paragraph, and American in every line and word. It recognized and fully enforced the economic principle of protection, which the Republican party from its birth had steadfastly advocated, and that had always secured to the country the greatest prosperity.

The Democratic members of the Conference Committee declined to unite in the report, but it was nevertheless accepted by both branches of Congress. The House concurred in it on September 27th—yeas 152, all Republicans; nays 81, all Democrats but two. Thirty-eight members were paired and fifty-five Democrats did not vote. In the Senate the report was adopted on September 30th—yeas 33, all Republicans; nays 27, all Democrats, except three; and twenty-two Senators were paired and did not vote. The law was approved by President Harrison on the following day, and, except where otherwise especially provided, went into effect on October 6, 1890.

But its passage was hardly effected before the general election occurred, and at this the Republicans were badly defeated. The House of Representatives of the Fifty-second Congress, elected in 1890, was overwhelmingly Democratic, that party electing 235 of the 332 members.

President Harrison gave the tariff due and careful consideration in his second annual message at the beginning of the second session of the Fifty-first Congress, December 1, 1890. In the course of his suggestions he said:

"The general trade and industrial conditions throughout the country during the year have shown a marked

improvement. For many years prior to 1888 the merchandise balances of foreign trade have been largely in our favor, but during that year and the year following they turned against us. It is very gratifying to know that the last fiscal year again shows a balance in our favor of over $68,000,000. There were three hundred less failures reported in October, 1890, than in the same month of the preceding year, with liabilities diminished by about $5,000,000. The value of our exports of domestic merchandise during the last year was over $115,000,000 greater than the preceding year, and was only exceeded once in our history. About $100,000,000 of this excess was in agricultural products. The production of pig iron—always a good gauge of general prosperity—is shown by a recent census bulletin to have been 153 per cent. greater in 1890 than in 1880, and the production of steel 290 per cent. greater. Mining in coal has had no limitation except that resulting from deficient transportation. The general testimony is that labor is everywhere fully employed, and the reports for the last year show a smaller number of employes affected by strikes and lockouts than in any year since 1884. The depression in the prices of agricultural products has been greatly relieved, and a buoyant and hopeful time was beginning to be felt by all our people.

"The general tariff act has only partially gone into operation, some of its important provisions being limited to take effect at dates yet in the future. The general provisions of the law have been in force less than sixty days. Its permanent effect upon trade and prices still largely stands in conjecture. It is curious to know that the advance in the prices of articles wholly unaffected

by the tariff act was by many hastily ascribed to that act. There is neither wisdom nor justice in the suggestion that the subject of tariff revision shall be again opened before this law has had a fair trial. It is quite true that every tariff schedule is subject to objections. No bill was ever framed, I suppose, that in all of its rates and classifications had the full approval even of a party caucus. Such legislation is always and necessarily the product of compromise as to details, and the present law is no exception. But in its general scope and effect I think it will justify the support of those who believe that American legislation should conserve and defend American trade and the wages of American workmen.

"The criticisms of the bill that have come to us from foreign sources may well be rejected for repugnancy. If these critics really believe that the adoption by us of a free trade policy, or of tariff rates having reference solely to revenue, would diminish the participation of their own countries in the commerce of the world, their advocacy and promotion by speech and other forms of organized effort of this movement among our people is a rare exhibition of unselfishness in trade. And on the other hand, if they sincerely believe that the adoption of a protective-tariff policy by this country inures to their profit and our hurt, it is noticeably strange that they should lead the outcry against the authors of a policy so helpful to their countrymen, and crown with their favor those who would snatch from them a substantial share of a trade with other lands already inadequate to their necessities. There is no disposition among any of our people to promote prohibitory or

retaliatory legislation. Our policies are adopted not to the hurt of others, but to secure for ourselves those advantages that fairly grow out of our favored position as a nation. Our form of government, with its incident of universal suffrage, makes it imperative that we shall save our working people from the agitations and distresses which scant work and wages that have no margin for comfort always beget. But after all this is done it will be found that our markets are open to friendly commercial exchanges of enormous value to the other great powers. From the time of my induction into office the duty of using every power and influence given by law to the Executive Department for the development of larger markets for our products, especially our farm products, has been kept constantly in mind, and no effort has been or will be spared to promote that end. We are under no disadvantage in any foreign market, except that we pay our workmen and workwomen better wages than are paid elsewhere —better abstractly, better relatively to the cost of the necessaries of life. I do not doubt that a very largely increased foreign trade is accessible to us without bartering for it either our home market for such products of the farm and shop as our own people can supply, or the wages of our working people."

Several labor bills were considered by the Fifty-first Congress. On August 29, 1890, Hon. W. J. Connell, of Nebraska, reported a bill to the effect that eight hours should constitute a day's work for all employes of the Government, reference being especially had to the District of Columbia, and providing severe penalties for all violations of the law. The House rejected

a motion (by Hon. William J. Mutchler, Dem., of Pennsylvania) to strike out the section relating to penalties by the vote yeas 38, nays 107 and passed the bill without a division. It was favorably reported by the Committee on Labor in the Senate, but failed because a vote upon it was not reached.

On August 30th, Hon. William H. Wade, of Missouri, reported an important bill providing for the adjustment of the accounts of laborers, workmen and mechanics arising under the eight-hour law. An amendment by the Hon. Mark S. Brewer, of Michigan, was agreed to—yeas 57, nays 53—and the bill was passed by the House without a division.

In the Senate, on September 27th, the proviso by Mr. Brewer was stricken from the bill by the vote, yeas 37, nays 12, but the bill was not further considered at the first session. On February 7, 1891, however, it was again taken up and several amendments agreed to when, on motion of Mr. Wolcott, of Colorado, it was recommitted to the Committee on Labor. On February 28th, Mr. Blair, of New Hampshire, reported a substitute for the House bill, but in the hurry and rush of the close of the session no vote was had upon it.

On August 30, 1890, Mr. Wade reported a bill from the Committee on Labor "to prohibit the importation and migration of foreigners and aliens under contract or agreement to perform labor" in this country. There was but little opposition to the measure and after the rejection of an amendment (offered by Hon. John Dalzell, of Pennsylvania) to the fifth section providing for the importation of skilled laborors in certain cases on the approval of the Secretary of the Treasury and Attorney

General, it was passed by the House without a division. The bill was considered by the Senate on September 27th, and various amendments were agreed to, but no decisive action was ever taken upon it.

On the same day, August 30th, Mr. Wade reported a second bill, from the Committee on Labor, to prevent the employment of convicts on Government work, and it, too, was passed by the House without amendment or division. It was reported favorably in the Senate, but a vote was not taken upon it.

A third bill was reported to the House the same day by Mr. Wade, which made it unlawful for any agent or officer of the Government to purchase, or permit to be purchased for the Government, any supplies of any description whatever, which were in whole or in part the product of convict labor. It was passed by the House without change or dissent but met with the same fate as its predecessors in the Senate.

We have seen that in 1862 Congress levied a direct tax upon the realty of the country, apportioned among the several States according to population. The States themselves were authorized to assume the collection and payment of this tax, less fifteen per cent. for the expense and trouble of collecting it. Nearly all the Northern States assumed the tax and paid it over to the Treasury of the United States, but in all of the eleven seceding States no assumption of it was made. The collectors, however, proceeded as far as practicable to levy and enforce the tax, and in this way they gathered in about $2,250,000 in round numbers, from individual citizens of the seceding States. The balance assessed against these States, amounting to about $2,500,000,

was never recovered, and up to this time (1891) still stood against them. In the Fiftieth Congress a bill was passed restoring to all the States which had paid this tax the amount they had paid the Government and relieving the States from which the tax was still due the amount charged against them. It was vetoed by President Cleveland, and the Senate, on March 2, 1889, passed the bill over his veto. But the bill was not reached in the House and therefore failed. In the Fifty-first Congress, the Senate again passed a bill at the first session, but the House did not reach it until the next session. On February 24, 1891, however, the House agreed to an amendment by Hon. Lucian B. Caswell, of Wisconsin, and passed the bill by a vote of 172 to 101. The Senate agreed to the amendment by the House, and President Harrison approved the law on March 2d. Under its provisions $15,227,632 were distributed among the several States and Territories, of which sum three States received over five million dollars; New York $2,213,330, Pennsylvania $1,634,711, and Ohio $1,332,025.

One of the most important acts passed at the second session of the Fifty-first Congress—affecting as it did every laborer in the country—was familiarly known as "the Owen Immigration Law," from its author, Hon. William D. Owen, of Indiana. It was an amendment to the various acts relating to immigration, and to the importation of aliens under contract or agreement to perform labor. It provided a new method for the inspection of emigrant ships, agencies, offices, and stations, and fixed more definitely the responsibility of steamship or transportation companies, and the owners

of vessels, or their agents, with heavier penalties for the violation of the law. Mr. Owen reported the bill from the Select Committee to which it had been referred at the first session, on February 24, 1891, and Hon. William C. Oates, of Alabama, offered a substitute amending existing statutes but making less radical changes. This substitute was rejected—yeas 41, Republicans 24, Democrats 17; nays 209, Republicans 114, Democrats 95; while 39 Republicans and 45 Democrats were absent or did not vote. The bill was then passed without division and went to the Senate. Here it was passed unanimously on February 27th, and became a law by the approval of President Harrison on March 3rd.

What was known as "the Hawaiian Treaty Bill," was reported from the Ways and Means Committee on February 28, 1891, and passed by the House without division. It was considered in the Senate on March 2nd and passed without opposition and on the day following was approved by President Harrison. A treaty of reciprocity had been entered into between the United States and Hawaii on January 13, 1875, and extended by the convention proclaimed November 9, 1887, and this law simply provided that nothing in the act of October 6, 1890, should be held to repeal or impair the provisions of the foregoing agreement.

The House in the Fifty-second Congress organized by electing Hon. Charles F. Crisp, of Georgia, Speaker, and Hon. William M. Springer, of Illinois, was appointed by him Chairman of the Ways and Means Committee. The Senate remained Republican by forty-seven of the eighty-eight members. Hon. Charles F.

Manderson, of Nebraska, was elected President *pro tem.*, and Mr. Morrill continued as Chairman of the Finance Committee.

In his third annual message at the beginning of the first session of the Fifty-second Congress, December 9, 1891, President Harrison wrote at some length of the operations of the new tariff law. He was gratified at the prospect, and observed, with force and clearness:

"Rarely, if ever before in the history of the country, has there been a time when the proceeds of one day's labor or the product of one farmed acre would purchase so large an amount of those things that enter into the living of the masses of the people. I believe that a full test will develop the fact that the tariff act of the Fifty-first Congress is very favorable in its average effect upon the prices of articles entering into common use. During the twelve months from October 1, 1890, to September 30, 1891, the total value of our foreign commerce (imports and exports combined) was $1,747,806,406, which was the largest of any year in the history of the United States. The largest in any previous year was in 1890, when our commerce amounted to $1,647,139,093, and the last year exceeds this enormous aggregate by over one hundred millions. It is interesting, and to some will be surprising, to know that during the year ending September 30, 1891, our imports of merchandise amounted to $824,715,270, which was an increase of more than eleven million dollars over the value of the imports of the corresponding months of the preceding year, when the imports of merchandise were unusually large in anticipation of the tariff legislation then pending. The average annual value of the imports

of merchandise for the ten years from 1881 to 1890 was $692,186,522, and during the year ending September 30, 1891, this annual average was exceeded by $132,528,469. The value of free imports during the twelve months ending September 30, 1891, was $118,092,387 more than the value of free imports during the corresponding twelve months of the preceding year, and there was during the same period a decrease of $106,846,508 in the value of imports of dutiable merchandise. The percentage of merchandise admitted free of duty during the year to which I have referred, the first under the new tariff, was 48.18, while during the preceding twelve months, under the old tariff, the percentage was 34.27, an increase of 13.91 per cent. If we take the six months ending September 30th last, which covers the time during which sugars have been admitted free of duty, the per cent. of value of merchandise imported free of duty is found to be 55.37, which is a larger percentage of free imports than during any prior fiscal year in the history of the Government. If we turn to exports of merchandise, the statistics are full of gratification. The value of such exports of merchandise for the twelve months ending September 30, 1891, was $923,091,136, while for the corresponding previous twelve months it was $860,177,115, an increase of $62,914,021, which is nearly three times the average annual increase of exports of merchandise for the preceding twenty years; this exceeds in amount and value the exports of merchandise during any year in the history of the Government. The increase in the value of exports of agricultural products during the year referred to over the corresponding twelve months of the prior year was

$45,846,197, while the increase in the value of exports of manufactured products was $16,838,240. There is certainly nothing in the condition of trade, foreign or domestic, there is certainly nothing in the condition of our people of any class, to suggest that the existing tariff and revenue legislation bears oppressively upon the people or retards the commercial development of the Nation. It may be argued that our condition would be better if tariff legislation were on a free-trade basis; but it can not be denied that all the conditions of prosperity and of general contentment are present in a larger degree than ever before in our history, and that, too, just when it was prophesied they would be in the worst state. Agitation for radical changes in tariff and financial legislation can not help, but may seriously impede, business, to the prosperity of which some degree of stability in legislation is essential. I think there are conclusive evidences that the new tariff has created several great industries which will, within a few years, give employment to several hundred thousand American working men and women. In view of the somewhat overcrowded condition of the labor market of the United States every patriotic citizen should rejoice at such a result. The report of the Secretary of the Treasury shows that the total receipts of the Government, from all sources, for the fiscal year ending June 30, 1891, were $458,544,233.03, while the expenditures for the same period were $421 304,470.46, leaving a surplus of $37,239,762.57."

During the recess of Congress treaties of reciprocity had been entered into between the United States and the following countries, and were duly proclaimed by

President Harrison on the dates given: Brazil, February 5, 1891; Spain, July 31, 1891; and San Domingo, August 7, 1891. Other treaties are as follows: Salvador, December 31, 1891; Germany, February 1, 1892, Great Britain, February 1, 1892, applicable to British Guiana, Trinidad and Tobago, Barbados, the Leeward Islands, and the Windward Islands, except Grenada; Nicaragua, March 12, 1892; Honduras, April 30, 1892; Guatemala, May 18, 1892; Austria-Hungary, May 26, 1892. A proclamation was also issued by President Harrison, on March 15, 1892, suspending the free admission in the United States of the sugar, molasses, coffee and tea produced in Hayti. The articles which were benefited by these treaties were about 292 in number and consisted in part of agricultural implements, live stock, clocks and watches, cotton yarns and goods, meat extracts, condensed milk, iron and steel manufactures, tools, leather, resin, tar, paraffine, cheese, pianos, carriages, flour, oils, barks and extracts, and brass and its manufactures.

On February 9, 1892, the House passed a bill to amend the internal revenue laws, as to violations, penalties, and other particulars. Mr. Bynum, of Indiana, moved the previous question and the bill was passed—yeas 173, nays 39. In the Senate it was referred to the Committee on Judiciary.

On April 4th, Hon. Thomas J. Geary, of California, secured the consideration in the House of his bill to absolutely prohibit the coming of Chinese into the United States. The rules were suspended and it was passed—yeas 179, nays 43. In the Senate, a substitute was reported by the Committee on Foreign Relations,

on April 25th, and accepted by a vote of 43 to 14. The bill was then passed but the House refused to concur, and a Committee of Conference was appointed consisting of Senators Dolph, Sherman, and Morgan, and Representatives Geary, Chipman, and Hitt. They reported an amended bill (Messrs. Sherman and Hitt not signing the report) which was accepted and passed by the Senate on May 3rd—yeas 30, nays 15, and by the House on May 4th—yeas 186, nays 27—and approved by the President on May 5, 1892.

The House at this session passed a series of tariff bills, which were derisively styled by the press as "pop gun bills," probably because it was well known in advance that they would avail nothing, neither pass the Senate nor be approved by the President. On April 4th a bill was reported "to place wool on the free list and reduce the duties on woolen goods." It passed the House, on April 7th, by a vote of 194 to 60—two Democrats voting with the Republicans in the negative. The Senate referred this bill to the Committee on Finance.

On April 9th, a bill "to admit free of duty bagging for cotton, machinery for manufacturing bagging, cotton-ties, and cotton-gins," was passed by the House by the vote—yeas (Democrats) 167; nays (Republicans) 46. In the Senate it was referred to the Committee on Finance.

On May 2nd, Hon. William J. Bryan, of Nebraska, moved to suspend the rules and pass his bill to place binding twine on the free list. This was agreed to—yeas 183, nays 47, two Republicans voting in the affirmative and three Democrats in the negative. The Senate referred it to the Committee on Finance.

Hon. Samuel Fowler, of New Jersey, on May 2nd, moved to suspend the rules of the House and pass his bill to encourage American shipping—that is, grant registers as vessels of the United States to the steamships "City of New York," "City of Paris," and such other foreign-built steamships as were then or might thereafter be engaged in the freight and passenger business in any established line from a port in the United States. The motion was agreed to and the bill passed without division. In the Senate the bill was favorably reported and passed on May 9th—yeas forty-one, Republicans twenty-four, Democrats seventeen; nays ten, Republicans four, Democrats six. It was approved by President Harrison, May 11, 1892. A similar bill by Mr. Fowler to grant a register to the steamship "China" was defeated by the House on July 20th. It was laid on the table, by a vote of 107 to 84.

On July 1st, the House Committee on Labor reported a bill "to enforce the eight-hour law," which was passed under suspension—yeas 166, nays, all Democrats, 31. In the Senate, it was passed on July 28th, without division, and was approved by the President on July 30th.

On July 8th, Hon. Benjamin F. Shively, of Indiana, moved to suspend the rules and pass a bill to reduce the duty on tin and tin-plate to one cent per pound. This was agreed to and the bill passed—yeas 207, nays 61, a strict party vote. No action was taken on the bill in the Senate.

Hon. Justin R. Whiting, of Michigan, on July 8th, moved to suspend the rules and pass his bill reducing the duty on lead ores to one and a half or one and a

third cents per pound, which was agreed to—yeas 196, nays 63, including three Democrats. The Senate took no action upon it.

On the same day the same gentleman secured a suspension and the passage of a bill to reduce the duty on the wearing apparel of tourists from the United States to Europe; also on other personal effects. The Senate, however, did not consider it.

On July 28th, pending consideration of the Senate amendments to the Sundry Civil Bill, the House adopted an amendment against the employment of Pinkerton detectives in any Government service or by any officer of the District of Columbia—yeas 159, nays 34. In the Senate, this and other House amendments were not concurred in, and the matter was referred to a Committee of Conference—Senators Allison, Cullom, and Gorman, and Representatives Holman, Sayres, and Bingham. On April 5th this Committee reported by favor of retaining the clause, and it was agreed to by the House—yeas 169, nays 4—and by the Senate without a division.

The tenth Republican National Convention assembled in Minneapolis, Minn., June 7, 1892. The platform was unanimously adopted on June 10th, and in its treatment of the tariff it declared:

"We reaffirm the American doctrine of protection. We call attention to its growth abroad. We maintain that the prosperous condition of our country is largely due to the wise revenue legislation of the Republican Congress. We believe that all articles which can not be produced in the United States, except luxuries, should be admitted free of duty, and that on all im-

ports coming into competition with the products of American labor there should be levied duties equal to the difference between wages abroad and at home. We assert that the prices of manufactured articles of general consumption have been reduced under the operations of the tariff act of 1890. We denounce the efforts of the Democratic majority of the House of Representatives to destroy our tariff laws by piecemeal, as manifested by their attacks upon wool, lead and lead ores, the chief products of a number of States, and we ask the people for their judgment thereon. We point to the success of the Republican policy of reciprocity, under which our export trade has vastly increased, and new and enlarged markets have been opened for the products of our farms and workshops. We remind the people of the bitter opposition of the Democratic party to this practical business measure, and claim that, executed by a Republican Administration, our present laws will eventually give us control of the trade of the world. We reaffirm our opposition, declared in the Republican platform of 1888, to all combinations of capital organized in trusts, or otherwise, to control arbitrarily the condition of trade among our citizens. We heartily indorse the action already taken upon this subject, and ask for such further legislation as may be required to remedy any defects in existing laws and to render their enforcement more complete and effective."

Mr. Harrison was renominated on the first ballot for President, and Hon. Whitelaw Reid, of New York, on the first ballot for Vice-President.

The Democratic National Convention met in Chicago on June 21st. The platform as reported the next day

contained the following declaration on the subject of "revenue tariffs," as its second plank, namely:

"We reiterate the oft-repeated doctrines of the Democratic party that the necessities of the Government is the only justification for taxation, and whenever a tax is unnecessary it is unjustifiable; that when custom-house taxation is levied upon articles of any kind produced in this country, the difference between the cost of labor here and labor abroad, when such a difference exists, fully measures any possible benefits to labor, and the enormous additional impositions of the existing tariff fall with crushing force upon our farmers and workingmen, and for the mere advantage of the few whom it enriches, exact from labor a grossly unjust share of the expenses of the Government, and we demand such a revision of the tariff laws as will remove their iniquitous inequalities, lighten their oppressions, and put them on a constitutional and equitable basis. But in making reduction in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the custom-house have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subject in its execution to the plain dictates of justice."

Although this breathed the spirit of the Democratic tariff resolutions of 1884, on which Mr. Cleveland had been elected to the Presidency, it encountered most determined opposition. Hon. Lawrence T. Neal, of

Ohio, on behalf of himself and other members of the Committee on Resolutions, moved that this paragraph be stricken from the platform, and the following substitute be adopted:

"We denounce Republican protection as a fraud; a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purpose of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered. We denounce the McKinley tariff law, enacted by the Fifty-first Congress, as the culminating atrocity of class legislation; we indorse the efforts made by the Democrats of the present Congress to modify its most oppressive feature in the direction of free raw materials and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the beneficent results that will follow the action of the people in entrusting power to the Democratic party. Since the McKinley tariff went into operation there have been ten reductions of the wages of the laboring man to one increase. We deny that there has been any increase of prosperity to the country since the tariff went into operation, and we point to the dullness and distress, the wage reductions and strikes in the iron trade, as the best possible evidence that no such prosperity has resulted from the McKinley act. We call the attention of thoughtful Americans to the fact that after thirty years of restrictive taxes against the importation of foreign

wealth, in exchange for our agricultural surplus, the homes and farms of the country have become burdened with a real estate mortgage debt of over $2,500,000,000, exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real estate mortgage debt averaging $165 per capita of the total population, and that similar conditions and tendencies are shown to exist in other agricultural exporting States. We denounce a policy which fosters no industry so much as it does that of the sheriff."

After a brief but spirited debate the motion by Mr. Neal was agreed to—yeas 564, nays 342. Eighteen States (Colorado, Idaho, Illinois, Iowa, Kentucky, Michigan, Missouri, Montana, Nebraska, Nevada, New York, North Dakota, Ohio, South Carolina, Texas, Washington, West Virginia, and Wyoming) voted unanimously in favor of the substitute, and thirteen (Arkansas, California, Connecticut, Delaware, Kansas, Maine, Minnesota, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont, and Wisconsin) solidly against it. Fifteen delegates in Illinois opposing the substitute, five in Minnesota favoring it, and fifteen in Pennsylvania opposing it, were deprived of the expression of their individual views, since, under the unit rule, their votes were counted with the majority of their respective delegations. The following additional planks on "reciprocity" and "trusts" were agreed to, and the platform as amended was unanimously adopted:

"Trade interchange on the basis of reciprocal advantages to the countries participating is a time-honored doctrine of the Democratic faith, but we denounce the sham reciprocity which juggles with the people's desire

for enlarged foreign markets and freer exchanges by pretending to establish closer trade relations for a country whose articles of export are almost exclusively agricultural products with other countries that are also agricultural, while erecting a custom-house barrier of prohibitive tariff taxes against the rich and the countries of the world that stand ready to to take our entire surplus of products and to exchange therefor commodities which are necessaries and comforts of life among our people.

"We recognize in the trusts and combinations which are designed to enable capital to secure more than its just share of the joint product of capital and labor, a natural consequence of the prohibitive taxes which prevent the free competition which is the life of honest trade; but we believe their worst evils can be abated by law, and we demand the rigid enforcement of the laws made to prevent and control them, together with such further legislation in restraint of their abuses as experience may show to be necessary."

The Convention completed its labors by nominating Grover Cleveland, of New York, for President, for a third time in succession, despite the united opposition of the delegation from his own State, by 617 votes out of a total of 909. A ballot was taken for Vice-President resulting: Adlai E. Stevenson, of Illinois, 402 votes, Isaac P. Gray, of Indiana, 343, and 164 for some five or six other favorites—and upon its conclusion Mr. Stevenson was nominated by acclamation.

President Harrison devoted about half of his masterly letter of acceptance—dated at Washington, September 3rd—to an able and comprehensive discussion of the

tariff law of 1890. Speaking of the substitute of the minority of the Committee on Resolutions adopted by the Democracy at Chicago, he said :

"The substitute declares that protective duties are unconstitutional—high protection, low protection—all unconstitutional. A Democratic Congress holding this view can not enact, nor a Democratic President approve, any tariff schedule the purpose or effect of which is to limit importations, or to give any advantage to an American workman or producer. A bounty might, I judge, be given to the importer under this view of the constitution, in order to increase importations, and so revenue for "revenue only" is the limitation. Reciprocity, of course, falls under this denunciation, for its object and effect are not revenue but the promotion of commercial exchanges, the profits of which go wholly to our producers. This destructive un-American doctrine was not held or taught by the historic Democratic statesmen, whose fame as patriots has reached this generation—certainly not by Jefferson or Jackson. This mad crusade against American shops, the bitter epithets applied to American manufacturers, the persistent disbelief of every report of the opening of a tin-plate mill, or of an increase in our foreign trade by reciprocity, are as surprising as they are discreditable. There is not a thoughtful business man in the country who does not know that the enactment into law of the declaration of the Chicago convention upon the subject of the tariff would at once plunge the country into a business convulsion such as it has never seen; and there is not a thoughtful workingman who does not know that it would at once enormously affect the amount of work to

be done in this country, by the increase of importations that would follow, and necessitate a reduction of his wages to the European standard. If any one suggests that this radical policy will not be executed if the Democratic party attains power, what shall be thought of a party that is capable of thus trifling with great interests? The threat of such legislation would be only less hurtful than the fact. A distinguished Democrat rightly described this movement as a challenge to the protected industries to a fight of extermination, and another such rightly expressed the logic of the situation when he interpreted the Chicago platform to be an invitation to all Democrats holding then the most moderate protection views to go into the Republican party.

"And now a few words in regard to the existing tariff law. We are fortunately able to judge of its influence upon production and prices by the market reports. The day of the prophet of calamity has been succeeded by that of the trade reporter. An examination into the effects of the law upon the prices of protected products, and of the cost of such articles as enter into the living of people of small means, has been made by a Senate Committee, composed of leading Senators of both parties, with the aid of the best statisticians, and the report, signed by all the members of the Committee, has been given to the public. No such wide and careful inquiry has ever before been made. These facts appear from the report:

"First.—The cost of articles entering into the use of those earning less than $1,000 per annum has decreased, up to May, 1892, 3.4 per cent., while in farm products there has been an increase in prices, owing, in part, to

an increased foreign demand and opening of new markets. In England, during the same period, the cost of living increased 1.9 per cent. Tested by their power to purchase articles of necessity, the earnings of our working people have never been as great as they are now.

"SECOND.—There has been an average advance in the rates of wages of .75 of 1 per cent.

"THIRD.—There has been an advance in the price of all farm products of 18.67 per cent., and of all cereals 33.59 per cent.

"The act of 1890 gives to the miners protection against foreign silver-bearing lead ores, the free introduction of which threatened the great mining industries of the Rocky Mountain States, and to the wool-growers protection for their fleeces and flocks, which has saved them from a further and disastrous decline. The House of Representatives, at its last session, passed bills placing these ores and wool upon the free list. The people of the West well know how destructive to their prosperity these measures will be. The tariff law has given employment to many thousands of American men and women, and will each year give employment to increasing thousands. Its repeal would throw thousands out of employment, and give work to others only at reduced wages. The appeals of the freetraders to the workingman are largely addressed to his prejudices or to his passions, and not infrequently are pronouncedly communistic. The new Democratic leadership rages at the employer, and seeks to communicate this rage to the employe. I regret that all employers of labor are not just and considerate, and that capital sometimes takes too large a share of the profits, but I do not see that

these evils will be ameliorated by a tariff policy the first necessary effect of which is a severe wage cut, and the second a large diminution of the aggregate amount of work to be done in this country. If the injustice of the employer tempts the workman to strike back, he should be very sure that his blow does not fall upon his own head or upon his wife and children. The workmen in our great cities are, as a body, remarkably intelligent, and are lovers of home and country. They may be roused by injustice, or what seems to them to be such, or be led for the moment by others into acts of passion, but they will settle the tariff contest in the calm light of their November firesides, and with sole reference to the prosperity of the country of which they are citizens, and of the homes they have founded for their wives and children. No intelligent advocate of a protective tariff claims that it is able of itself to maintain a uniform rate of wages without regard to fluctuation in the supply of, and demand for, the products of labor. But it is confidently claimed that protective duties strongly tend to hold up wages, and are the only barrier against reduction to the European scale. The Southern States have had a liberal participation in the benefits of the tariff law, and, though their representatives have generally opposed the protective policy, I rejoice that their sugar, rice, coal, ores, iron, fruits, cotton cloths and other products have not been left to the fate which the votes of their representatives would have brought upon them. In the construction of the Nicaragua Canal, in the new trade with South and Central America, in the establishment of American steamship lines, these States

have also special interests, and all these interests will not always consent to be without representation at Washington.

"Shrewdly, but not quite fairly, our adversaries speak only of the increased duties imposed on linen, pearl buttons, and other articles by the McKinley bill, and omit altogether any reference to the great and beneficial enlargement of the free list. During the last fiscal year $456,000,772 worth of merchandise, or 59.36 per cent. of our total imports came in free (the largest percentage in our history), while in 1889 the percentage of importations was only 34.42 per cent. The placing of sugar on the free list has saved the consumer in duties in thirteen months, after paying the bounties provided for, $87,000,000. This relief has been substantially felt in every household, upon every Saturday's purchase of the workingman. One of the favorite arguments against a protective tariff is that it shuts us out from a participation in what is called with swelling emphasis 'the markets of the world.' If this view is not a false one, how doth it happen that our commercial competitors are not able to bear with more serenity our supposed surrender to them of the 'markets of the world?' And how does it happen that the partial loss of our market closes foreign tin plate mills and plush factories that still have all other markets? Our natural advantages, our protective tariff, and the reciprocity policy, make it possible for us to have a large participation in the 'markets of the world,' without opening our own to a competition that would destroy the comfort and independence of our people."

Mr. Reid responded in a letter of great strength and

force, dated at Ophir Farm, N. Y., October 18th. In speaking of the magnificent results which had accrued to the American people under a protective tariff, he observed:

"The expediency of a protective tariff has been vindicated by the experience of the past thirty years—the most wonderful period of financial success over unheard-of difficulties in the record of modern civilization. Under it, and by its aid, the Republican management of our finances has resulted in the largest payment of a National debt in the shortest time known to history, and in the simultaneous development of the industries of the country and the prosperity of the people on a scale without a parallel. Eight years ago, in a masterly public paper, James G. Blaine called attention to the revelations of the United States census as to the net results of the labor and savings of the American people under the system of a protective tariff. The 'true value' of all the property in the United States, excluding slaves, was set down in the census of 1860 at fourteen thousand millions of dollars—that being what there was to show for the toil of 250 years. With the success of the Republican party that year, the Republican protective policy which has since prevailed was introduced. In the census of 1880, the true value of the property in the United States was set down at forty-four thousand millions of dollars—making an increase in those twenty years of Republican protection of thirty thousand millions, or over double the entire growth in the previous 250 years. We are now able to carry the comparison ten years further, through the disclosures of another decennial census. It appears that the property of the

United States has been still further increased in the last ten years by fourteen thousand millions of dollars—making a total increase in the thirty years of Republican rule and a Republican protective tariff of forty-four thousand millions of dollars, against the fourteen thousand millions earned in the previous 250 years."

Mr. Cleveland, writing from Gray Gables, Mass., September 26th, devoted a third of his letter to a dissertation upon what he termed "the exploded theories of protection," and the advantages of "tariff reform as a National necessity." He said:

"Tariff legislation presents a familiar form of Federal taxation. Such legislation results as surely in a tax upon the daily life of our people as the tribute paid directly into the hand of the tax-gatherer. We feel the burden of these tariff taxes too palpably to be persuaded by any sophistry that they do not exist, or are paid by foreigners. Such taxes, representing a diminution of the property rights of the people, are only justifiable when laid and collected for the purpose of maintaining our Government, and furnishing the means for the accomplishment of its legitimate purposes and functions. This is taxation under the operation of a tariff for revenue. It accords with the professions of American free institutions, and its justice and honesty answer the test supplied by a correct appreciation of the principles upon which these institutions rest. This theory of tariff legislation manifestly enjoins strict economy in public expenditures and their limitation to legitimate public uses, inasmuch as it exhibits as absolute extortion any exaction, by way of taxation, from the substance of the people, beyond the necessities of a careful and proper administration of Government.

"Opposed to this theory, the dogma is now boldly presented that tariff taxation is justifiable for the express purpose and intent of thereby promoting special interests and enterprises. Such a proposition is so clearly contrary to the spirit of our Constitution, and so directly encourages the disturbance by selfishness and greed of patriotic sentiment, that its statement would rudely shock our people if they had not already been insidiously allured from the safe landmarks of principle. Never have honest desire for National growth, patriotic devotion to country, and sincere regard for those who toil, been so betrayed to the support of a pernicious doctrine. In its behalf the plea that our infant industries should be fostered did service until discredited by our stalwart growth; then followed the exigencies of a terrible war, which made our people heedless of the opportunities for ulterior schemes afforded by their willing and patriotic payment of unprecedented tribute; and now, after a long period of peace, when our overburdened countrymen ask for relief and a restoration to a fuller enjoyment of their incomes and earnings, they are met by the claim that tariff taxation for the sake of protection is an American system, the continuance of which is necessary in order that high wages may be paid to our workingmen and a home market be provided for our farm products. These pretenses should no longer deceive. The truth is that such a system is directly antagonized by every sentiment of justness and fairness of which Americans are pre-eminently proud. It is also true that while our workingmen and farmers can, the least of all our people, defend themselves against the harder home life

which such tariff taxation decrees, the workingman suffering from the importation and employment of pauper labor, instigated by his professed friends, and seeking security for his interests in organized co-operation, still waits for a division of the advantages secured to his employer under cover of a generous solicitude for his wages, while the farmer is learning that the prices of his products are fixed in foreign markets, where he suffers from a competition invited and built up by the system he is asked to support. The struggle for unearned advantage at the doors of the Government tramples on the rights of those who patiently rely upon assurances of American equality. Every governmental concession to clamorous favorites invites corruption in political affairs by encouraging the expenditure of money to debauch suffrage in support of a policy directly favorable to private and selfish gain. This in the end must strangle patriotism and weaken popular confidence in the rectitude of republican institutions. Though the subject of tariff legislation involves a question of markets, it also involves a question of morals. We can not with impunity permit injustice to taint the spirit of right and equity which is the life of our Republic; and we shall fail to reach our National destiny if greed and selfishness lead the way.

"Recognizing these truths, the National Democracy will seek to equalize to our people the blessings due them from the Government they support, to promote among our countrymen a closer community of interests cemented by patriotism and National pride, and to point out a fair field where prosperous and diversified American enterprise may grow and thrive in the wholesome

atmosphere of American industry, ingenuity, and intelligence. Tariff reform is still our purpose. Though we oppose the theory that tariff laws may be passed having for their object the granting of discriminating and unfair governmental aid to private ventures, we wage no exterminating war against any American interests. We believe a readjustment can be accomplished, in accordance with the principles we profess, without disaster or demolition. We believe that the advantages of freer raw material should be accorded to our manufacturers, and we contemplate a fair and careful distribution of necessary tariff burdens rather than the precipitation of free trade. We anticipate with calmness the misrepresentation of our motives and purposes, instigated by a selfishness which seeks to hold in unrelenting grasp its unfair advantage under present tariff laws. We will rely upon the intelligence of our fellow-countrymen to reject the charge that a party comprising a majority of our people is planning the destruction or injury of American interests; and we know they can not be frightened by the spectre of impossible free trade."

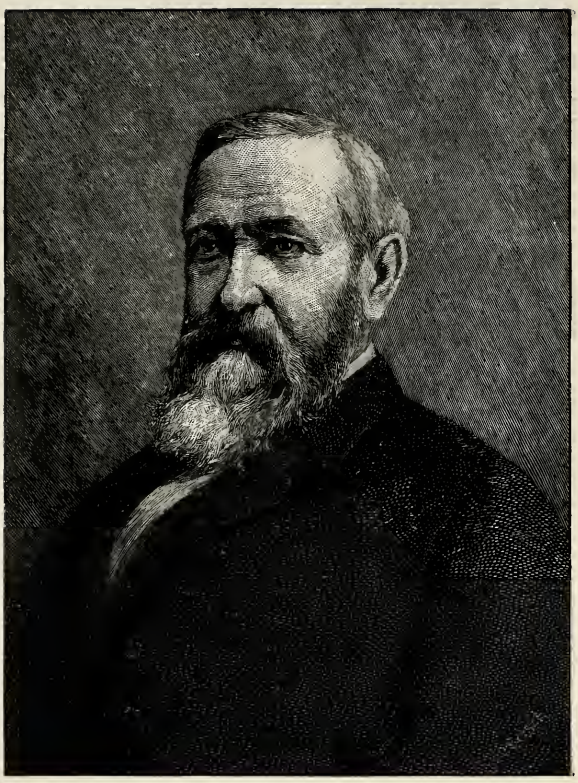
Mr. Stevenson, writing from Bloomington, Illinois, October 29th, gave his "unqualified approval" to the views of his associate on the Democratic National ticket, and added:

"The greatest power conferred upon human government is that of taxation. All the great struggles of the past for a broader political liberty have looked towards the limitation of this power by right to tax—a right which should always be limited by the necessities of the Government, and the benefits of which may be

shared by all. Whenever this power is used to draw tribute from the many for the benefit of the few, or when part of the people are oppressed in order that the remainder may prosper unduly, equality is lost sight of. It is plain that our present inequitable system of tariff taxation has promoted the growth of such conditions in our land, favored though it has been by an industrious and enterprising people, a productive soil, and the highest development of political liberty. If the beneficiaries of this system shall be able to add a new tenure of power to those they have already enjoyed, the development of these unfavorable conditions must continue until the power to tax will be lodged in those who are willing and able to pay for the perpetuation of privileges originally conferred by a confiding people for the preservation inviolate of their own Government. There is no longer pretext or excuse for the maintenance of a war tariff in times of peace, and more than a quarter of a century after armed conflict has ceased. The platform of the National Democracy demands the reform of this system and the adoption in its place of one which will insure equality to all our people. I am in full and hearty accord with these purposes."

Still the serious discussion or sober consideration of the issues raised by the platforms of the two parties was not the determining cause of the campaign. For great as was the prosperity of the country and excellent as was the administration of President Harrison, other and extraneous matters contributed to, if they did not directly cause, the Republican defeat. Cleveland and Stevenson received 277 electoral votes, to 145 for Harrison and Reid, and 22 for Weaver and Field, the

candidates of the People's party. The Government, for the first time in forty years, was Democratic in both Executive and Legislative branches. This had been generally expected so far as the House of Representatives was concerned, of which the Democrats elected 216 of the 356 members. But to the surprise of the country, the Senate also passed into the hands of that party, it having succeeded in electing forty-four members, to thirty-six Republicans and five Populists.



BENJAMIN HARRISON.

CHAPTER IV.

President Harrison devoted a large part of his fourth annual message to Congress, on December 6, 1892, to an able and comprehensive review of the tariff of 1890. His party had been voted out of power, but he nevertheless could truthfully observe that "the general conditions affecting the commercial and industrial interests of the United States are in the highest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never before enjoyed by our people."

"The total wealth of the country in 1860," he continued, "was $16,159,616,068. In 1890 it amounted to $62,610,000,000, an increase of 287 per cent. The total mileage of railways in the United States in 1860 was 30,626; in 1890 it was 167,741, an increase of 448 per cent.; and it is estimated that there will be about 4,000 miles of track added by the close of the year 1892. The official returns of the Eleventh Census and those of the Tenth Census for seventy-five leading cities furnish the basis for the following comparisons: In 1880 the capital invested in manufacturing was $1,232,-

839,670. In 1890 the capital invested in manufacturing was $2,900,735,884. In 1880 the number of employees was 1,301,388. In 1890 the number of employees was 2,251,134. In 1880 the wages earned were $501,965,778. In 1890 the wages earned were $1,221,170,454. In 1880 the value of the product was $2,711,579,899. In 1890 the value of the product was $4,860,286,837. I am informed by the Superintendent of the Census that the omission of certain industries in 1880, which were included in 1890, account in part for the remarkable increase thus shown. But, after making full allowance for differences of method and deducting the returns for all industries not included in the census of 1880, there remains in the reports from these seventy-five cities an increase in the capital employed of $1,522,745,604; in the value of the product of $2,024,236,166; in wages earned of $677,943,929, and in the number of wage earners employed of 856,029. The wage earnings not only show an increased aggregate, but an increase per capita from $386 in 1880 to $547 in 1890, or 41.71 per cent. The new industrial plants established since October 6, 1890, and up to October 22, 1892, as partially reported in the *American Economist*, number 345, and the extension of existing plants, 108; the new capital invested amounts to $40,449,050, and the number of additional employees to 37,285.

"The *Textile World* for July, 1892, states that during the first six months of the present calendar year 135 new factories were built, of which 40 are cotton mills, 48 knitting mills, 26 woolen mills, 15 silk mills, 4 plush mills and 2 linen mills. Of the 40 cotton mills 21 have been built in the Southern States. Mr. A. B.

Shepperson, of the New York Cotton Exchange, estimates the number of working spindles in the United States on September 1, 1892, at 15,200,000, an increase of 600,000 over the year 1891. The consumption of cotton by American mills in 1891 was 2,396,000 bales, and in 1892 2,584,000 bales, an increase of 188,000 bales. From 1869 to 1892, inclusive, there has been an increase in the consumption of cotton in Europe of 92 per cent., while during the same period the increased consumption in the United States has been about 150 per cent.

"The report of Ira Ayer, Special Agent of the Treasury Department, shows that at the date of September 30, 1892, there were thirty-two companies manufacturing tin and terne plate in the United States, and fourteen companies building new works for such manufacture. The estimated investment in buildings and plants at the close of the fiscal year, June 30, 1893, if existing conditions were to be continued, was $5,000,000, and the estimated rate of production 200,000,000 pounds per annum. The actual production for the quarter ending September 30, 1892, was 10,952,725 pounds.

"The report of Labor Commissioner Peck, of New York, shows that during the year 1891, in about 6,000 manufacturing establishments in that State embraced within the special inquiry made by him, and representing 67 different industries, there was a net increase over the year 1890 of $31,315,130.68 in the value of the product, and of $6,377,925.09 in the amount of wages paid. The report of the Commissioner of Labor for the State of Massachusetts shows that 3,745 industries in that State paid $129,416,248 in wages during the year

1891, against $126,030,303 in 1890, an increase of $3,335,945, and that there was an increase of $9,932,490 in the amount of capital and of 7,346 in the number of persons employed in the same period.

"During the last six months of the year 1891 and the first six months of 1892 the total production of pig iron was 9,710,819 tons, as against 9,202,703 tons in the year 1890, which was the largest annual production ever attained. For the same twelve months of 1891–'92 the production of Bessemer ingots was 3,878,581 tons, an increase of 189,710 gross tons over the previously unprecedented yearly production of 3,688,871 gross tons in 1890. The production of Bessemer steel rails for the first six months of 1892 was 772,436 gross tons, as against 702,060 gross tons during the last six months of the year 1891.

"The total value of our foreign trade (exports and imports of merchandise) during the last fiscal year was $1,857,580,610, an increase of $128,283,604 over the previous fiscal year. The average annual value of our imports and exports of merchandise for the ten fiscal years prior to 1891 was $1,457,322,019. It will be observed that our foreign trade for 1892 exceeded this annual average by $400,358,591, an increase of 27.47 per cent. The significance and value of this increase are shown by the fact that the excess in the trade of 1892 over 1891 was wholly in the value of exports, for there was a decrease in the value of imports of $17,513,754. The value of our exports during the fiscal year 1892 reached the highest figure in the history of the Government, amounting to $1,030,278,148, exceeding by $145,797,338 the exports of

1891 and exceeding the value of the imports by $202,875,686. A comparison of the value of our exports for 1892 with the annual average for the ten years prior to 1891 shows an excess of $265,142,651 or 34.65 per cent. The value of our imports of merchandise for 1892, which was $829,402,462, also exceeded the annual average value of the ten years prior to 1891 by $135,215,940. During the fiscal year 1892 the value of imports free of duty amounted to $457,999,658, the largest aggregate in the history of our commerce. The value of the imports of merchandise entered free of duty in 1892 was 55.35 per cent of the total value of imports, as compared with 43.35 per cent. in 1891 and 33.66 per cent. in 1890. In our coastwise trade a most encouraging development is in progress, there having been in the last four years an increase of sixteen per cent. In internal commerce the statistics show that no such period of prosperity has ever before existed. The freight carried in the coastwise trade of the Great Lakes in 1890 aggregated 28,295,959 tons. On the Mississippi, Missouri and Ohio Rivers and tributaries in the same year the traffic aggregated 29,405,046 tons, and the total vessel tonnage passing through the Detroit River during that year was 21,684,000 tons. The vessel tonnage entered and cleared in the foreign trade of London during 1890 amounted to 13,480,767 tons, and of Liverpool 10,941,800 tons, a total for those two great shipping ports of 24,422,-568 tons, only slightly in excess of the vessel tonnnage passing through the Detroit River. And it should be said that the season for the Detroit River was but 228 days, while, of course, in London and Liverpool the

season was for the entire year. The vessel tonnage passing through the St. Mary's Canal for the fiscal year 1892 amounted to 9,828,874 tons, and the freight tonnage of the Detroit River is estimated for that year at 25,000,000 tons, against 23,209,619 tons in 1891. The aggregate traffic on our railroads for the year 1891 amounted to 704,398,609 tons of freight, compared with 691,344,437 tons in 1890, an increase of 13,054,172 tons.

"Another indication of the general prosperity of the country is found in the fact that the number of depositors in savings banks increased from 693,870 in 1860 to 4,258,893 in 1890, an increase of 513 per cent., and the amount of deposits from $149,277,504 in 1860 to $1,524,844,506 in 1890, an increase of 921 per cent. In 1891 the amount of deposits in savings banks was $1,623,079,749. It is estimated that 90 per cent. of these deposits represent the savings of wage earners. The bank clearances for nine months ending September 30, 1891, amounted to $41,049,390,808. For the same months in 1892 they amounted to $45,189,601,947, an excess for the nine months of $4,140,211,139.

"There has never been a time in our history when work was so abundant or when wages were as high, whether measured by the currency in which they were paid or by their power to supply the necessaries and comforts of life. It is true that the market prices of cotton and wheat have been low. It is one of the unfavorable incidents of agriculture that the farmer can not produce upon orders. He must sow and reap in ignorance of the aggregate production of the year, and is peculiarly subject to the depreciation which follows

over-production. But, while the fact I have stated is true as to the crops mentioned, the general average of prices has been such as to give agriculture a fair participation in the general prosperity. The value of our total farm products has increased from $1,363,646,866 in 1860 to $4,500,000,000 in 1891, as estimated by statisticians, an increase of 230 per cent. The number of hogs January 1, 1891, was 50,625,106 and their value $210,193,925; on January 1, 1892, the number was 52,398,019 and the value $241,031,415. On January 1, 1891, the number of cattle was 36,875,648 and the value $544,127,908; on January 1, 1892, the number was 37,651,239 and the value $570,749,155. If any are discontented with their state here; if any believe that wages or prices, the return for honest toil, are inadequate, they should not fail to remember that there is no other country in the world where the conditions that seem to them hard would not be accepted as highly prosperous. The English agriculturist would be glad to exchange the returns of his labor for those of the American farmer, and the Manchester workmen their wages for those of their fellows at Fall River. I believe that the protective system, which has now for something more than thirty years continuously prevailed in our legislation, has been a mighty instrument for the development of our National wealth and a most powerful agency in protecting the homes of our workingmen from the invasion of want. I have felt a most solicitous interest to preserve to our working-people rates of wages that would not only give daily bread, but supply a comfortable margin for those home attractions and family comforts and enjoyments without which life is

neither hopeful nor sweet. They are American citizens —a part of the great people for whom our Constitution and Government were framed and instituted—and it can not be a perversion of that Constitution to so legislate as to preserve in their homes the comfort, independence, loyalty and sense of interest in the Government which are essential to good citizenship in peace, and which will bring this stalwart throng, as in 1861, to the defense of the flag when it is assailed. It is not my purpose to renew here the argument in favor of a protective tariff. The result of the recent election must be accepted as having introduced a new policy. We must assume that the present tariff, constructed upon the lines of protection, is to be repealed, and that there is to be substituted for it a tariff law constructed solely with reference to revenue; that no duty is to be higher because the increase will keep open an American mill or keep up the wages of an American workman, but that in every case such a rate of duty is to be imposed as will bring to the Treasury of the United States the largest returns of revenue. The contention has not been between schedules, but between principles, and it would be offensive to suggest that the prevailing party will not carry into legislation the principles advocated by it and the pledges given to the people. The tariff bills passed by the House of Representatives at the last session were, as I suppose, even in the opinion of their promoters, inadequate and justified only by the facts that the Senate and the House of Representatives were not in accord, and that a general revision could not, therefore, be undertaken.

"I recommend that the whole subject of tariff revision

be left to the incoming Congress. It is matter of regret that this work must be delayed for at least three months; for the threat of great tariff changes introduces so much uncertainty that an amount, not easily estimated, of business inaction and of diminished production will necessarily result. It is possible also that this uncertainty may result in decreased revenues from customs duties, for our merchants will make cautious orders for foreign goods in view of the prospect of tariff reduction and the uncertainty as to when it will take effect. Those who have advocated a protective tariff can well afford to have their disastrous forecasts of a change of policy disappointed. If a system of customs duties can be framed that will set the idle wheels and looms of Europe in motion and crowd our warehouses with foreign-made goods, and at the same time keep our own mills busy; that will give us an increased participation in the 'markets of the world' of greater value than the home market we surrender; that will give increased work to foreign workmen upon products to be consumed by our people without diminishing the amount of work to be done here; that will enable the American manufacturer to pay to his workmen from fifty to a hundred per cent. more in wages than is paid in the foreign mill and yet to compete in our market and in foreign markets with the foreign producer; that will further reduce the cost of articles of wear and food without reducing the wages of those who produce them; that can be celebrated, after its effects can be realized, as its expectation has been, in European as well as in American cities, the authors and promoters of it will be entitled to the highest praise. We have had in our history several experiences of the

contrasted effects of a revenue and of a protective tariff; but this generation has not felt them, and the experience of one generation is not highly instructive to the next. The friends of the protective system, with undiminished confidence in the principles they have advocated, will await the results of the new experiment. The strained and too often disturbed relations existing between the employes and the employers in our great manufacturing establishments have not been favorable to a calm consideration by the wage earner of the effects upon wages of the protective system. The facts that his wages were the highest paid in like callings in the world and that a maintenance of this rate of wages, in the absence of protective duties upon the product of his labor, was impossible, were obscured by the passion evoked by these contests He may now be able to review the question in the light of his personal experience under the operation of a tariff for revenue only. If that experience shall demonstrate that present rates of wages are thereby maintained or increased, either absolutely or in their purchasing power, and that the aggregate volume of work to be done in this country is increased, or even maintained, so that there are more, or as many days' work in a year at as good or better wages for the American workman as has been the case under the protective system, every one will rejoice. A general process of wage reduction can not be contemplated by any patriotic citizen without the gravest apprehension. It may be, indeed I believe is, possible for the American manufacturer to compete successfully with his foreign rival in many branches of production without the defense of protective duties, if the pay rolls are equalized; but the conflict that stands between the

producer and that result and the distress of our working-people when it is attained are not pleasant to contemplate. The Society of the Unemployed, now holding its frequent and threatening parades in the streets of foreign cities, should not be allowed to acquire an American domicile.

"Public revenues amounting to $1,414,079,292.28 have been collected and disbursed without loss from misappropriation, without a single defalcation of such importance as to attract the public attention, and at a diminished per cent. of cost for collection. There have been negotiated and concluded, under Section 3 of the tariff law, commercial agreements relating to reciprocal trade with the following countries: Brazil, Dominican Republic, Spain for Cuba and Puerto Rico, Guatemala, Salvador, the German Empire, Great Britain for certain West Indian colonies and British Guiana, Nicaragua, Honduras, and Austria-Hungary. Of these, those with Guatemala, Salvador, the German Empire, Great Britain, Nicaragua, Honduras, and Austria-Hungary have been concluded since my last annual message. Under these trade arrangements a free or favored admission has been secured in every case for an important list of American products. Especial care has been taken to secure markets for farm products in order to relieve that great underlying industry of the depression which the lack of an adequate foreign market for our surplus often brings. An opening has also been made for manufactured products that will undoubtedly, if this policy is maintained, greatly augment our export trade. The full benefits of these arrangements can not be realized instantly. New lines of trade are to be opened. The commercial traveler

must survey the field. The manufacturer must adapt his goods to the new markets, and facilities for exchange must be established. This work has been well begun, our merchants and manufacturers having entered the new fields with courage and enterprise. In the case of food products, and especially with Cuba, the trade did not need to wait, and the immediate results have been most gratifying. If this policy and these trade arrangements can be continued in force and aided by the establishment of American steamship lines, I do not doubt that we shall, within a short period, secure fully one-third of the total trade of the countries of Central and South America, which now amounts to about $600,000,000 annually. In 1885 we had only eight per cent of this trade.

"The following statistics show the increase in our trade with the countries with which we have reciprocal trade agreements from the date when such agreements went into effect up to September 30, 1892, the increase being in some almost wholly and in others in an important degree the result of these agreements. The domestic exports to Germany and Austria-Hungary have increased in value from $47,673,756 to $57,993,064, an increase of $10,453,313, or 23.67 per cent. The total increase in the value of exports to all the countries with which we have reciprocity agreements has been $20,772,621. This increase is chiefly in wheat, flour, meat and dairy products, and in manufactures of iron and steel and lumber. There has been a large increase in the value of imports from all these countries since the commercial agreements went into effect, amounting to $74,294,525, but it has been entirely in imports from the American

countries, consisting mostly of sugar, coffee, india rubber and crude drugs. The alarmed attention of our European competitors for the South American market has been attracted to this new American policy, and to our acquisition, and their loss, of South American trade.

"During the past year, a suggestion was received through the British minister that the Canadian Government would like to confer as to the possibility of enlarging, upon terms of mutual advantage, the commercial exchanges of Canada and of the United States, and a conference was held at Washington, with Mr. Blaine acting for this Government, and the British minister at this capital and three members of the Dominion Cabinet acting as Commissioners on the part of Great Britain. The conference developed the fact that the Canadian government was only prepared to offer to the United States in exchange for the concessions asked, the admission of natural products. The statement was frankly made that favored rates could not be given to the United States as against the mother country. This admission, which was foreseen, necessarily terminated the conference upon this question. The benefits of an exchange of natural products would be almost wholly with the people of Canada.

"The report of the Secretary of the Treasury will attract especial interest in view of the many misleading statements that have been made as to the state of the public revenues. Three preliminary facts should not only be stated, but emphasized, before looking into details: First, that the public debt has been reduced since March 4, 1889, $259,074,200, and the annual interest charge $11,684,496; second, that there have been paid

out for pensions during this administration, up to November 1, 1892, $432,564,178.70, an excess of $114,466,386.09 over the sum expended during the period from March 1, 1885, to March 1, 1889; and third, that under the existing tariff, up to December 1, about $93,000,000 of revenue, which would have been collected upon imported sugars if the duty had been maintained, has gone into the pockets of the people and not into the public treasury, as before. If there are any who still think that the surplus should have been kept out of circulation by hoarding it in the Treasury, or deposited in favored banks without interest while the Government continued to pay to these very banks interest upon the bonds deposited as security for the deposits, or who think that the extended pension legislation was a public robbery, or that the duties upon sugar should have been maintained, I am content to leave the argument where it now rests, while we wait to see whether these criticisms will take the form of legislation. The revenues for the fiscal year ending June 30, 1892, from all sources, were $425,868,260.22, and the expenditures for all purposes were $415,953,806.56, leaving a balance of $9,914,453.66. There were paid during the year upon the public debt $40,570,467.98."

In his inaugural address of March 4, 1893, President Cleveland did not question the accuracy and force of the conclusions of Mr. Harrison, nor offer any except the most general criticisms upon the tariff legislation of the retiring Administration. His only allusion to the subject was in the following passage:

"Closely related to the exaggerated confidence in our country's greatness which tends to a disregard of

the rules of National safety, another danger confronts us not less serious. I refer to the prevalence of a popular disposition to expect from the operation of the Government especial and direct individual advantages. The verdict of our voters, which condemned the injustice of maintaining protection for protection's sake, enjoins upon the people's servants the duty of exposing and destroying the brood of kindred evils which are the unwholesome progeny of paternalism. This is the bane of republican institutions and the constant peril of our Government by the people. It degrades to the purposes of wily craft the plan of rule our fathers established and bequeathed to us as an object of our love and veneration. It perverts the patriotic sentiment of our countrymen, and tempts them to pitiful calculation of the sordid gain to be derived from their Government's maintenance. It undermines the self-reliance of our people, and substitutes in its place dependence upon governmental favoritism. It stifles the spirit of true Americanism and stupefies every ennobling trait of American citizenship. The lessons of paternalism ought to be unlearned and the better lesson taught that, while the people should patriotically and cheerfully support their Government, its functions do not include the support of the people. The acceptance of this principle leads to a refusal of bounties and subsidies, which burden the labor and thrift of a portion of our citizens, to aid ill-advised or languishing enterprises in which they have no concern. It leads also to a challenge of wild and reckless pension expenditure, which overleaps the bounds of grateful recognition of patriotic service and prostitutes to vicious uses the

people's prompt and generous impulses to aid those disabled in their country's defense. Every thoughtful American must realize the importance of checking at its beginning any tendency in public or private station to regard frugality and economy as virtues which we may outgrow. The toleration of this idea results in the waste of the people's money by their chosen servants, and encourages prodigality and extravagance in the home life of our countrymen. Under our scheme of government, the waste of public money is a crime against the citizen; and the contempt of our people for economy and frugality in their personal affairs deplorably saps the strength and sturdiness of our National character. It is a plain dictate of honesty and good government that public expenditures should be limited by public necessity, and that this should be measured by the rules of strict economy; and it is equally clear that frugality among the people is the best guarantee of a contented and strong support of free institutions."

Mr. Cleveland convened Congress to meet in extraordinary session on August 7th. The House organized by re-electing Hon. Charles F. Crisp, of Georgia, as Speaker, and Hon. William L. Wilson, of West Virginia, became Chairman of the Ways and Means Committee. The Senate also reorganized its committees, Hon. Daniel W. Voorhees, of Indiana, succeeding Mr. Morrill as Chairman of the Finance Committee. In his message of August 8th, Mr. Cleveland stated his object in assembling Congress to be an earnest desire for "the prompt repeal of the provisions" of the so-called Sherman law of July 14, 1890, "authorizing the purchase of silver bullion, and that other legislative

action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries." His only reference to the tariff question, or the serious distress that the threatened repeal of the tariff law of 1890 had visited upon our manufacturing interests, is found in a brief passage immediately preceding the conclusion of his message. He said:

"It was my purpose to summon Congress in special session early in the coming September that we might enter promptly upon the work of tariff reform, which the true interests of the country clearly demand, which so large a majority of the people, as shown by their suffrages, desire and expect, and to the accomplishment of which every effort of the present Administration is pledged. But while tariff reform has lost nothing of its immediate and permanent importance, and must, in the near future, engage the attention of Congress, it has seemed to me that the financial condition of the country should be at once, and above all other subjects, considered by your honorable body."

Although from the following passage, it appears that Mr. Cleveland was himself in doubt as to what was the real cause of the trouble, he used words truly prophetic when he said: "It may be true that the embarrassments from which the business of the country is suffering arise as much from evils apprehended as from those actually existing." Subsequent events have fully corroborated the truth of this observation.

In their devotion to the supposed best interests of the country, the Republicans of both houses of Con-

gress for the most part joined in complying with the demand for the repeal of the act of July 14, 1890, and none more zealously than its reputed author, Senator Sherman, of Ohio, without the aid of whose commanding influence the silver purchase clause would probably not have been repealed. A bill by Mr. Wilson, of West Virginia, for that purpose, passed the House on August 28th by the vote—yeas 239, nays 109. The affirmative vote was cast by one hundred and forty-one Democrats and ninety-eight Republicans; the negative by seventy-four Democrats, twenty-four Republicans, and eleven Populists, with four Democrats and one Republican not voting.

The action of Congress brought no perceptible relief to the disturbed business interests of the country, and the November elections demonstrated that "the large majority of the people," to whom Mr. Cleveland had so confidently referred, were still firm supporters of our protective system. Even amid embarrassments so great, the tariff act of 1890 produced sufficient revenue for the support of the Government. This was shown by the message of President Cleveland at the opening of the first regular session of the Fifty-third Congress, on December 4, 1893, in which he said:

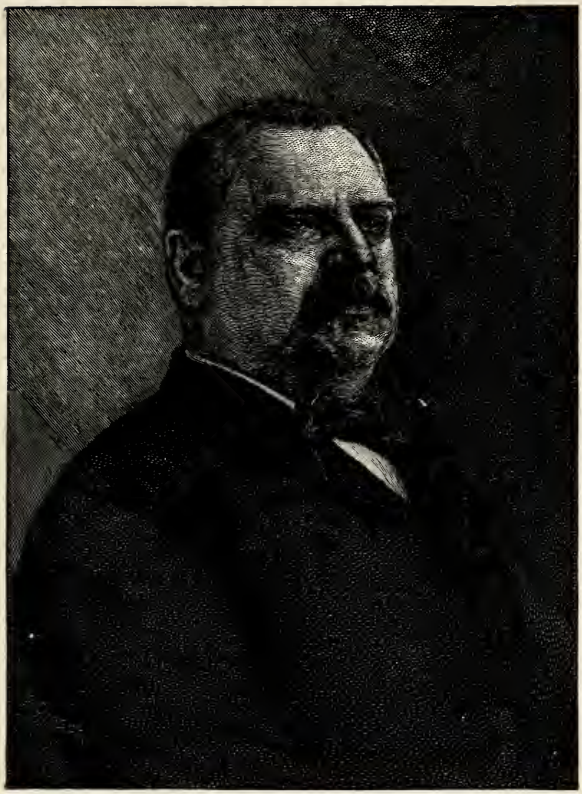
"The Secretary of the Treasury reports that the receipts of the Government from all sources during the fiscal year ended June 30, 1893, amounted to $461,716,561.94, and its expenditures to $459,374,674.29. There was collected from customs $205,355,016.73, and from internal revenue $161,027,623.93. Our dutiable imports amounted to $421,856,711, an increase of $52,453,907 over the preceding year, and importations free

of duty amounted to $444,544,211, a decrease from the preceding year of $13,455,447. Internal revenue receipts exceeded those of the preceding year by $7,147,-445.32."

His recommendations upon the tariff are especially noteworthy because of the endorsement he gave in advance to a bill which had not yet been introduced in Congress; perhaps the first instance of the kind in the history of the Government. It had been prepared by the Democratic majority of the Ways and Means Committee of the House during its vacation, after the adjournment of the special session on October 5th. The bill as a whole had not yet been given to the press, nor had any comprehensive analysis of it been presented, but still the President heartily endorsed it in the following confident strains:

"After a hard struggle tariff reform is directly before us. Nothing so important claims our attention and nothing so clearly presents itself as both an opportunity and a duty—an opportunity to deserve the gratitude of our fellow-citizens and a duty imposed upon us by our oft-repeated professions and by the emphatic mandate of the people. After full discussion, our countrymen have spoken in favor of this reform, and they have confided the work of its accomplishment to the hands of those who are solemnly pledged to it. If there is anything in the theory of a representation in public places of the people and their desires, if public officers are really the servants of the people, and if political promises and professions have any binding force, our failure to give the relief so long awaited will be sheer recreancy. Nothing

should intervene to distract our attention or disturb our effort until this reform is accomplished by wise and careful legislation. While we should staunchly adhere to the principle that only the necessity of revenue justifies the imposition of tariff duties and other Federal taxation, and that they should be limited by strict economy, we can not close our eyes to the fact that conditions have grown up among us which in justice and fairness call for discriminating care in the distribution of such duties and taxation as the emergencies of our Government actually demand. Manifestly, if we are to aid the people directly through tariff reform, one of its most obvious features should be a reduction in present tariff charges upon the necessaries of life. The benefits of such a reduction would be palpable and substantial, seen and felt by thousands who would be better fed and better clothed and better sheltered. These gifts should be the willing benefactions of a Government whose highest function is the promotion of the welfare of the people. Not less closely related to our people's prosperity and well-being is the removal of restrictions upon the importation of the raw materials necessary to our manufactures. The world should be open to our National ingenuity and enterprise. This can not be while Federal legislation, through the imposition of a high tariff, forbids to American manufacturers as cheap materials as those used by their competitors. It is quite obvious that the enhancement of the price of our manufactured products resulting from this policy not only confines the market for these products within our own borders, to the direct disadvantage of our manufacturers, but also increases their cost to our citizens.



GROVER CLEVELAND.

The interests of labor are certainly, though indirectly, involved in this feature of our tariff system. The sharp competition and active struggle among our manufacturers to supply the limited demand for their goods soon fill the narrow market to which they are confined. Then follows a suspension of work in mill and factories, a discharge of employés, and distress in the homes of our workingmen. Even if the often-disproved assertion could be made good that a lower rate of wages would result from free raw materials and low tariff duties, the intelligence of our workingmen leads them quickly to discover that their steady employment, permitted by free raw materials, is the most important factor in their relation to tariff legislation. A measure has been prepared by the appropriate Congressional Committee embodying tariff reform on the lines herein suggested, which will be promptly submitted for legislative action. It is the result of much patriotic and unselfish work, and I believe it deals with its subject consistently and as thoroughly as existing conditions permit. I am satisfied that the reduced tariff duties provided for in the proposed legislation, added to existing internal-revenue taxation, will, in the near future, though perhaps not immediately, produce sufficient revenue to meet the needs of the Government. The Committee, after full consideration, and to provide against a temporary deficiency which may exist before the business of the country adjusts itself to the new tariff schedules, have wisely embraced in their plan a few additional internal-revenue taxes, including a small tax upon incomes derived from certain corporate investments. These new assessments are not only absolutely just

and easily borne, but they have the further merit of being such as can be remitted without unfavorable business disturbance whenever the necessity of their imposition no longer exists. In my great desire for the success of this measure, I can not restrain the suggestion that its success can only be attained by means of unselfish counsel on the part of the friends of tariff reform, and as a result of their willingness to subordinate personal desires and ambitions to the general good. The local interests affected by the proposed reform are so numerous and so varied that if all are insisted upon the legislation embodying the reform must inevitably fail. In conclusion, my intense feeling of responsibility impels me to invoke for the manifold interests of a generous and confiding people the most scrupulous care, and to pledge my willing support to every legislative effort for the advancement of the greatness and prosperity of our beloved country."

On December 19, 1893, Mr. Wilson, Chairman of the Committee on Ways and Means, introduced the general tariff bill of the session—entitled "a bill to reduce taxation, to provide revenue for the Government, and for other purposes." He submitted with it an explanatory statement of the purposes of the majority, from which the following clauses are taken:

"This bill, on which the Committee has expended much patient and anxious labor, is not offered as a complete response to the mandate of the American people. It no more professes to be purged of all protection than to be free of all error in its complex and manifold details. However we may deny the existence of any legislative pledge or the right of any Congress to make

such pledge for the continuance of duties that carry with them more or less acknowledged protection, we are forced to consider that great interests do exist whose existence and prosperity it is no part of our reform either to imperil or to curtail. We believe, and we have the warrant of our own past experience for believing, that reduction of duties will not injure, but give more abundant life to all our great manufacturing industries, however much they may dread the change. But in dealing with the tariff, as with every other long-standing abuse that has interwoven itself with our social or industrial system, the legislator must always remember that in the beginning temperate reform is safest, having in itself 'the principle of growth.'

"When Congress began to repeal war burdens and to relieve manufacturers of the internal taxes, which they had used to secure compensating duties on like foreign products, there arose a demand throughout the country, without respect to party, for a reduction of the war tariff. Unable to resist this demand, the protected industries baffled and thwarted any reduction of consequence until 1872, when they defeated a House bill that did make a substantial reduction by substituting a Senate bill which carried a horizontal cut of ten per cent. As soon, however, as the elections of 1874 gave the next House to the Democratic party, that reduction was repealed by the outgoing Republicans, and rates restored to what they were before 1872.

"The history of American industry shows that during no other period has there been a more healthy and rapid development of our manufacturing industry than during the fifteen years of low tariff from 1846 to 1861,

nor a more healthy and harmonious growth of agriculture and all the other great industries of the country. No chapter in our political experience carries with it a more salutary lesson than this, and none could appeal more strongly to law makers to establish a just and rational system of public revenues, neither exhausting agriculture by constant blood-letting nor keeping manufacturers alternating between chills and fevers by artificial pampering. In this direction alone lies stability, concord of sections, and of great industries. We have already said that public discussion may disclose errors of minor detail in the schedules of our bill. To escape such errors would require so thorough and minute a knowledge of all the divisions, sub-divisions, complex and manifold mazes and involutions of our chemical, textile, metal, and other industries that no committee of Congress, no matter how extended the range of their personal knowledge or how laborious and painstaking their efforts, could ever hope to possess. We have not forgotten that we represent the people, who are the many, as well as the protected interests, who are the few, and while we have dealt with the latter in no spirit of unfriendliness, we have felt that it was our duty, and not their privilege, to make the tariff schedules. Those who concede the right of beneficiaries to fix their own bounties must necessarily commit to them the framing and verbiage of the laws by which those bounties are secured for them. A committee of Congress thus becomes merely the amanuensis of the protected interests.

"We have believed that the first step toward a reform of the tariff should be a release of taxes on the materials of industry. There can be no substantial and bene-

ficial reduction upon the necessary clothing and other comforts of the American people, nor any substantial and beneficial enlargement of the field of American labor as long as we tax the materials and processes of production. Every tax upon the producer falls with increased force upon the consumer. Every tax on the producer in this country is a protection to his competitors in all other countries, and so narrows his markets as to limit the number and lessen the wages of those to whom he can give employment. Every cheapening in the cost or enlargement of the supply of his raw materials, while primarily inuring to the benefit of the manufacturer himself, passes under free competition immediately and passes entirely to the consumer, who very soon gets even more benefit out of it than such reductions seem to carry, because with the rapid widening of his market the manufacturer is able to sell at a smaller profit. It is therefore a very narrow and short-sighted view which supposes that we release the duties on iron ore, coal, wool, and other like articles, solely for the benefit of those who manufacture our iron, steel, woolen, and other fabrics.

"This House in two Congresses in recent years having, after full debate, passed laws putting wool upon the free list, it is not deemed necessary in this report to attempt a re-statement of the reasons for doing so. It is enough to say that the tariff upon wool, while bringing no real benefit to the American wool-grower, least of all to the American farmer, who, in any balancing of accounts, must see that he yearly pays out a good dollar for every doubtful dime he may receive under its operation, has disastrously hampered our manufacturing in-

dustry and made cruel and relentless war upon the health, the comfort, and the productive energy of the American people. Logs are already on the free list. We have gone a step further and put undressed lumber generally on that list. This may serve to cheapen and improve the dwelling houses of some of our people, but it is justified if it shall accomplish nothing more than to delay the rapid destruction of American forests. We have also placed flax and hemp, unshackled, on the free list, for the reasons stated above, that we may give to the American workingman untaxed material to work with, and that we may give the finished product as far as possible to the consumer with but a single tax, and that a moderate one, instead of a medley and cumulation of taxes gathered during the process of production. In addition to these so-called raw materials, we have released from tariff duties certain important articles and manufactures which we have shown our capacity to produce more cheaply than any other country, such as pig copper and the important agricultural implements. Any article of manufacture which can sustain the competition of like foreign articles in other markets can defy such competition in the home market, and is not protected by the duty, but by its own intrinsic superior cheapness or quality. In the earthenware schedule we have made substantial reductions, still leaving rates as high as were deemed necessary in the war tariff. In common window glass, where close combinations have kept up the prices to consumers under a scale of duties averaging more than one hundred per cent., we have made a reduction of about one-half. Upon the larger sizes of plate glass, where the duties were even higher, we have made a re-

duction of about one-third. In the iron and steel schedule, beginning with free ore, and a duty of 22½ per cent. on pig iron, we have reported a scale of duties considerably below those of the existing law, graduated according to the degree of manufacture which should bring benefit to the consumer without calling for any halt in the imperial progress of that great industry in our country. The duty upon steel rails has been put at twenty-five per cent. which, according to the reports of our Department of Labor, quite compensates for all difference in the cost of production in this country and abroad. There seems to be an authentic report that the pool of American rail-makers which, under the shelter of the present duty of $13.44 per ton, has kept up prices to the American consumer far beyond the cost of production and legitimate profits, has been reorganized to continue the regulation of their prices above the proper market rates. As all shippers, and especially American farmers, are vitally interested in cheapening the cost of transportation, rates of duty upon steel rails should be adjusted so as to protect them from monopoly prices and monopoly combinations. Upon tin plate the duty has been gauged with reference to the revenue it will bring into the Treasury, and the difference between this duty and that upon the black plate has been lessened with a view to discourage what may not unjustly be called the bogus industry of making American tin plate by the mere dipping in this country of the imported black plate. In the sugar schedule we should have preferred to wipe out at a single legislative stroke the existing bounty system. We believe it to be contrary to the spirit of our institutions, and can conceive

of no circumstances under which we should have advocated or approved its introduction into our laws. We have found it existing there, as we find it virtually existing in every other schedule of the tariff, and dealing with it in its more open and offensive form, in the same spirit we have dealt with other schedules where large property interests are at stake, we have reported a provision for its repeal by such stages as shall gradually obliterate it from our laws, while permitting those who have invested large means, under the expectation of its continuance, reasonable time in which they may prepare to take their stand with the other industries of the country.

"Duties upon imported tobacco leaf suitable for cigar wrappers, which were so advanced by the act of 1890, have been placed at such figures, as, after careful investigation, were deemed likely to produce most revenue to the Treasury, but while revenue alone has been the object sought, their amount is so high that no domestic producer need claim that there is not abundant protection and to spare for his product in them. Of the staple agricultural products, including meats and provisions, we are such large exporters and must continue to be such large exporters that any duties upon them are useless for protection and fruitless for revenue, and generally can only be imposed for the purpose of deluding the less intelligent of our farmers into the belief that they are receiving some consideration and benefit under the tariff, although the prices of their products are fixed in the world's market in competition with like products produced by the cheapest labor of the world. To the farmers of the country

we have given untaxed agricultural implements, binding twine, free salt and untaxed cotton ties, for the additional reason in this last case that cotton is the largest export crop of the country, sold abroad in competition with the cheap labor of India and of Egypt, and we believe that it is enough for the private tax-gatherer to follow it in the markets of his own country without pursuing it to all the markets of the world. As cotton bagging can be used but once, we have thought it but just to extend the draw-back system to such bagging made of jute butts when used upon exported cotton, a privilege which the exporter of wheat can already enjoy, coupled with the further advantage in his case that the same bags may be used for successive exportations of grain.

"The placing of wool upon the free list has justified a very substantial reduction of the duties on woolen goods. Of the woolen tariff it may be truly said, as was said of the woolen tariff of 1882, 'that it is the masterpiece of the ultra restrictionists and exhibits all the worse features of the system.' Although the imports of 1892 show an average duty of 95.82 per cent. in the woolen schedule, it can not be said that woolen manufacture has been a flourishing industry in this country, or that the American wool-grower has secured remunerative prices for his wool. With free wool we anticipate great benefits to consumers of woolen goods, a revival of the woolen industry, such as that which followed the tariff of 1857, and a steadier and better market for the American wool-grower. We have placed the duties upon woolen fabrics at forty per cent., but with a proviso for a uniform cut of five per cent.,

with a lapse of five years, beginning on the first day of July, 1896.

"A most important change in the bill proposed from the present law will be found in the general substitution of ad valorem for specific duties. This must always be the characteristic of a revenue tariff levied upon a large range of articles, especially when they include the plain necessaries of life.

"It is the purpose of the present bill to repeal in toto section three of the tariff act of October 1, 1890, commonly but erronneously called its reciprocity provision. That act placed sugar, molasses, coffee, tea and hides on the free list, but authorized the President, should he be satisfied that the government of any other country producing such articles imposed duties upon the agricultural or other products of the United States which he might deem reciprocally unequal and unreasonable, to suspend the provision under which these articles were admitted into this country free. This section has brought no appreciable advantage to American exporters; it is not in intention or effect a provision for reciprocity, but for retaliation. It inflicts penalties upon the American people by making them pay higher prices for these articles if the fiscal necessities of other nations compel them to levy duties upon the products of the United States which, in the opinion of the President, are reciprocally unequal and unreasonable. Under the provisions of this section Presidential proclamations have been issued imposing retaliatory duties upon the five above-mentioned articles when coming from certain countries. These proclamations have natually led to ill-feeling in the countries thus

discriminated against, and to diplomatic correspondence in which it has been claimed with apparent justice, that such discriminations were in violation of our solemn treaty obligations. Moreover, we do not believe that Congress can rightly vest in the President of the United States any authority or power to impose or release taxes on our people by proclamation or otherwise, or to suspend or dispense with the operation of a law of Congress."

The minority of the Ways and Means Committee (Messrs. Reed, Burrows, Payne, Dalzell, Hopkins and Gear, the Republican members), presented the following views in opposition to the proposed law:

"The most surprising thing about the bill is the fact that this proposition to raise revenue will lower the revenue of this country $74,000,000 below the revenue of 1893, which was only $2,000,000 above our expenses. This fact and the other fact that by this bill the larger part of the burden of taxation is transferred from foreigners, and borne by our own citizens, should always be kept in mind during the discussion.

"It unfortunately happens that 'free raw material" is an elastic term, and what is one man's free raw material is another man's finished product. The manufacturer in Massachusetts is told that he is to be encouraged by having free lumber to build his factory and to pack his goods, but inasmuch as that very lumber thus made free is the Maine manufacturer's finished product, no wonder the Democrats of Bangor, the mills on the Penobscot being unable to move a saw, denounced 'class legislation' with a new appreciation of what class legislation really means. And with the dwellers on the

Penobscot sympathize the lumbermen in Wisconsin and Michigan, the Pacific slope, Alabama, Georgia and Florida. So also the miners in Michigan, struggling this very moment with starvation, realize that the most odious class legislation there can possibly be is the legislation which protects labor in the mill and leaves it in the mines to the charity of the great cities. These so-called 'free raw materials,' free wool, free coal, and free iron are not put on the free list with any reference, direct or indirect, to raising revenue. They are placed there to encourage manufacturers who are to be compensated for any loss in this market by the markets of the world where they will have the chance to struggle with the cheaper labor of the Old World with whatever energy they may have left after the struggle at home with that same cheaper labor let into our markets by a lower tariff which does not give us the compensation even of a larger revenue.

"The doctrine of the Democratic platform that protection is robbery and should be abolished is comprehensible and sturdy. The new movement on behalf of mitigated and sporadic robbery is contrary alike to good morals and public faith. All false pretenses are unwise, contrary to sound policy and sound statèsmanship. Hence many of us who are sure that the Democratic platform is utterly untrue admitted its straightforwardness and directness. This bill, framed by those who represent the platform, can not receive that kind of praise. It pretends to be a revenue tariff, and does not raise revenue. It pretends to give protection, but destroys it in every indirect way.

"But while this bill in its principle, if it has any, is

not unprotective, it will be absolutely so in practice not only in its direct reductions but also in its indirect reductions sure to come from the change from specific duties to ad valorem, which is a marked feature of the bill. An ad valorem duty, as the name implies, is one which varies according to the price. If prices could be exactly determined nothing would seem to be fairer than an ad valorem duty. But, unfortunately, prices are very much matters of opinion, on which honest men may differ much and rogues much more. Inasmuch as the duty depends on the price, a cheat on the price is a cheat on the duty. If a piece of goods is worth $6 a yard and the duty is twenty-five per cent., the correct duty is $1 50. If the price be invoiced at $5 a yard and the fraud not detected, the duty collected becomes $1.25, and the ad valorem, which seems to be twenty-five per cent., becomes about twenty per cent., and not only is the Government cheated out of its quarter of a dollar, but the manufacturer is cheated out of one-fifth of the protection his Government has promised him. So great have been the objections in actual American practice to the ad valorem duties that among the names which can be cited against it are some of the most illustrious in American history: Hamilton, Gallatin, Crawford, Webster, and Van Buren, with Buchanan and Daniel Manning. Such, too, has been the experience of all other nations, and their tariff bills show such an exclusion of ad valorem duties as makes even the act of 1890 seem objectionable on that very account. That the example given above of a piece of goods lowered from $6 to $5 is reasonable is evident from this very bill, where an undervaluation has to reach forty per

cent., which in this case would be from $6 to $3.60, in order to create presumption of fraud. This, therefore, is not theory. It is within the experience of every merchant that goods which can not be purchased at all in Europe can be purchased, duty paid, in New York, at lower prices than like goods can be purchased by the honest merchant who values them at their true market value and pays the duty demanded by the Government, and yet these ad valorem duties thus objectionable have been increased in number everywhere, being substituted in nearly all the schedules for specific duties.

"A serious general objection to the bill is that it decreases the revenue according to the calculations usually made by the Treasury Department as compared with 1893 about $74,000,000. This large deficit, coming as it does upon a depleted Treasury, is rather appalling in a bill for revenue only. How this great hole in our resources, as a Nation, is to be filled, no one knows. At this date not even the Committee knows itself, unless the President, anticipating in his message to Congress the report of the Committee on Ways and Means, shall afford to the Committee itself its wished-for clue. Against the consideration of such a bill creating such a deficit and leaving it unaccounted for, the minority vainly protested when the bill was laid before the Committee. Who would dare, if of sound and statesmanlike mind, to create a deficit of $74,000,000, and blindly vote it with no plan in sight whereby the Government could meet its expenditures? That same protest we make to the House and to the country."

The minority then proceeded to a consideration of the bill as to particular items. It will be impossible to do

more than notice as briefly as may be, their objections, to a few of the more important schedules:

"That which lies at the base of our iron and steel industry is iron ore. The existing duty thereon is seventy-five cents per ton. The revenues from its importation aggregated in the last fiscal year over half a million of dollars. It is proposed under a 'tariff bill for revenue only,' to throw away absolutely every cent of this large revenue by putting iron ore on the free list. That, however, may be said to be a comparatively small matter in comparison with the effect that the proposed measure will have upon our home industry by the substitution for native of foreign ores, the product of cheap foreign labor. Our ore industry, from whatever point viewed, is among the most important. According to the Census figures of 1890, the production of iron ore for the year ending December 31, 1889, was in excess of fourteen and a half million tons. Its value was more than thirty-three and a third millions of dollars. Twenty-six States and two Territories, North, South, East and West, contributed to it. In the amount and value of production Michigan stands first, and whether Pennsylvania, a Middle State, or Alabama, a Southern State, stands second is a question of doubt. The amount of capital invested is nearly a hundred and ten millions of dollars, and the number of men directly employed over thirty-eight thousand. The average annual earning capacity for each person so employed at current wages is $409.95. Of course in taking account of the value of this industry to American labor there must be added all the various labor processes, including the transportation, necessary to get the ore from the

hills into the furnace stack. The theorist who talks about 'raw materials' never permits himself to realize that, as has been well said, 'Nature rarely dispenses with transportation. She never separates, assorts, cleanses, and feeds into the hopper or the stack.' The bill proposes to put into competition with American ores foreign ores, some of which are produced at a labor cost one-tenth and none of them at a labor cost greater than one-fourth of ours. It proposes to bring our laborers who get from $1.60 to $2 per day, and who work from fifty-five to sixty hours a week, into competition with laborers who work seventy-two hours a week and get thirty-six to sixty cents per day; our miners who get from $2.25 to $2.75 per day into competition with those who get from sixty to seventy-two cents per day. It proposes to condemn to temporary idleness and ultimately to divert into new channels, after an immense loss, if not the whole at least a large part of an invested capital of over thirty-three and one-third millions of dollars; to deprive our transportation lines of a large proportion of their profits from the carriage of the ore product, and to leave undeveloped treasures hidden under the soil of twenty-six States and two Territories. Foreign ore will take the place of our domestic product to a great extent, and this will cripple if it does not entirely destroy our home industry. Ocean freights are so low as to afford no protection. Ore is frequently carried across the ocean as ballast, and when freight is paid at all it averages not to exceed five shillings per ton on iron ore from Bilboa and other points in Spain. Under these circumstances there is no question but that foreign ores will take the place of domestic in all furnaces along

and within easy reach of the coast, and its low price because of cheap labor cost will enable it to bear freight charges for long distances even into the interior. In the last analysis the placing of iron ore on the free list means either the abandonment of that industry with us, or the mining of ore to be sold in competition with the cheap labor of Cuba, Africa, and Spain.

"Having sacrificed over half a million dollars per annum of revenue to the vagary of free trade, this tariff bill 'for revenue only' proposes to affect another large source of revenue by the serious reduction of the duties on pig iron. That duty is now $6.72 per ton. The duty proposed is 22½ per cent. ad valorem, or about $1.60 to $1.90 per ton, a lower tariff than was ever before proposed on this article. That suggested by the Mills bill was $6.00 per ton; under the tariff of 1846 the duty was thirty per cent. ad valorem. The revenue from pig iron during the last fiscal year amounted to over one-third of a million dollars. While decreased duties will add to importation, it is to be noticed that the difference between present and proposed duties is in the neighborhood of $5.00 per ton, and that a large loss of the product and a large loss of revenue are both inevitable. Pig iron, so far as both capital and labor are concerned, is one of our leading industries, and is followed in twenty-three States of the Union. In the year 1892 our product was 9,157,000 tons, of a value of $131,161,039, and the prices at which it was sold to the consumer were the lowest that it ever commanded. The proposed duty will close all New England furnaces and all east of the Alleghanies, as well as those of the South. The market for South-

ern pig iron is necessarily found in the North, owing to the lack of demand at the place of production. The consequence is, that the competition of Southern pig iron, which of all pig irons is made at the cheapest cost in this country, fixes the prices in Northern markets. That price is controlled to a large extent by freight rates. Interior freight rates are very heavy as compared with ocean rates. In many cases pig iron comes from England and Belgium as ballast, subject to no freight charges at all. In other cases it bears a burden not to exceed five shillings per ton. At this figure it can be carried to the Atlantic and Gulf ports, and even to those of the Pacific. Assuming that our pig iron, made at the least cost, is made as cheaply as that made abroad, which is not true, it amounts to a demonstration that all of our blast furnaces, save those in the interior, must succumb to foreign competition. Even the latter, if able to exist at all, must do so without a margin of profit.

"During the year ending June 30, 1893, there was imported into the United States 628,425,902 pounds of tin plate which paid a duty at the rate of 2.2 cents per pound, and thus produced a total revenue to the Government of $13,825,369.84. It is clear that the present duty admirably serves the two-fold purpose of producing revenue for the Government and of affording reasonable protection to an American industry. No sufficient reason has been advanced for the destruction of an industry which in such a short period of time has gained so firm a foothold, and which promises such a brilliant future. Side by side with the advance in the American tinning of sheets, the manufacture of black sheets to be

tinned has progressed. According to the most reliable evidence, the time is not far distant when, if proper protection be continued, all the black sheets necessary to make all the tin plate required in this country, and all the tin plates so required, will be made here. One of the provisions of the existing law is that the duty of 2.2 cents per pound on tin plates shall cease unless in some one of the six years next preceding June 30, 1897, the aggregate quantity of tin plate produced shall have equalled one-third of the amount of such plates imported and entered for consumption during any fiscal year after the passage of the existing law and prior to October 1, 1897. There can be no doubt that our capitalists have invested their money in the manufacture of tin plates upon the faith that this provision operated as a Governmental pledge that the tin plate duty under existing law should continue for a period of six years. Had the language of the act been embodied in an instrument to which individuals were parties of the first and second part, it could hardly successfully be contended that there was not a contract that this duty would continue for six years. Of course, no claim of legal contract can be made against the United States as sovereign, but at the same time it is difficult to resist the conclusion that in morals the contract exists, calling for recognition on the part of Congress. Nothing seems more clear than that the proposed change of duty upon tin plates is against the interests of the Government as a revenue measure, that it threatens the destruction of one of our most prosperous and growing industries, narrows the sphere of labor, works no good

to the consumer, and approaches dangerously near to bad faith upon the part of the Government.

"The tariff law of 1890 placed sugar, up to and including No. 16 Dutch Standard, on the free list, to take effect April 1, 1891. The duties which had been collected from the people on sugar prior to 1890 had amounted to the enormous sum of $1,460,412,227, these duties being levied on an article of prime necessity of which up to 1890, we had only been able to produce about one-tenth of the amount needed for our consumption. These duties were, therefore, levied under the theory of a tariff for revenue only. The Fifty-first Congress was a protective Congress, and, not believing in a tariff for revenue only, wisely repealed the old law, and for the first time in the history of the country sugar came free to the people. This has resulted in a direct saving to the American people of over $200,000,000, less $16,717,726 paid for bounty and $11,000,000 estimated to be due to the producers for this year, which would aggregate $27,717,000, being a direct saving of over $1.25 per year for each person in the United States. In harmony with the doctrine of protection, the Fifty-first Congress deemed it their duty to give protection to the growers of cane, beet, and sorghum sugar by way of a bounty. In view of the fact that we have a vast area of country, especially adapted to the growth of sugar, and believing that it was a sound policy to make the American people self-sustaining in an article the annual consumption of which was constantly increasing, and which requires an annual expenditure of about $115,000,000, nearly all of which is paid to

foreign labor, Congress wisely provided, in the opinion of the minority, that the grower of cane, beets, and sorghum sugar should be paid a small bounty, to run until 1905, and to carry out the provisions of this law a continuing appropriation was made to pay the bounty. The bill of the majority proposes to reduce the amount of bounty allowed by existing law, beginning July 1, 1895, at the rate of one-eighth of a cent per pound per year, and that on July 1, 1902, said bounty shall 'cease and determine.' The policy of paying bounties, directly or indirectly, for the purpose of encouraging certain industries, is as old as the Government itself, and has been recognized in the statutes of both State and Nation since 1789. This policy has been validated by the highest courts of our country.

"The majority have made a general reduction on agricultural products and have made use in many instances of the vicious ad valorem rate. This gives peculiar satisfaction to the Canadian farmers and Bermuda members of Parliament, because it enables them to come into our markets on more than equal terms. A recent investigation develops the fact that our farms and farm labor cost one-third more than the corresponding farms and farm labor in Canada. So, lest the Canadian farmer should be outstripped in the race for our market, this bill fixes the duties on his farm products at a rate less than 20 per cent., and gives him an advantage of 13⅓ per cent. over our own citizens. In addition to this, with all kinds of manufactured lumber on the free list, it is no wonder that Canadian statesmen are boasting that they get more by this bill than they could hope to get by the most favorable reciprocity treaty,

and this without the surrender of a single advantage on their part. The competition which necessarily exists between our millions of farmers will always regulate the price of farm products in this country so that they will bring no more than a fair return. Why, then, open our markets to Canada and deprive our own citizens of them without forcing the Canadians to pay at least the difference in cost of production into the Treasury? One of the proofs of unselfishness on the part of the Committee is illustrated in a duty equal to seventy-one per cent. on rice, a Southern product, as against an average of less than twenty per cent. on the products of Northern farms. In exchange for this and for free wool the farmer's machinery and binding twine are put on the free list. Under the competition encouraged by protection the farmer's machinery has been cheapened to a third of its former cost. To give the Canadian manufacturer an equal footing may possibly produce a slight reduction in the cost, but would only result in driving out the small manufacturers; the survivors would be compelled to form combines and trusts to continue in business. In binding twine the result would send the business to Calcutta, Hong Kong and Dundee; the product would be cheaper for a time, but in the end the importer would get the profits and the farmer will have to pay the same, or more, after domestic competition is destroyed. Salt is a finished product. Nearly the total cost of its production is human labor. In the Wyoming district, in New York, it furnishes employment to five thousand people; in Syracuse and in Michigan to many more. The freight on salt from Liverpool to New York for two years past has ranged

between thirty-six cents and one dollar per long ton, the average not being more than 60 cents. From the Wyoming district the rate is $2.24 per long ton to New York. Under the present duty of eight cents per hundred pounds the importation in 1893 was 140,000 tons and paid a revenue of $301,972.60. To get this trade the English merchant made a discount on salt for America nearly equal to one-half the duty. He sells for shipment here at a less price than to any English province. Salt is produced in such quantities and in such universal competition here that the cost to the consumer has declined at the factory from $4 per barrel to 40 cents for the same article. To find a market here the English producer and the English ocean carrier must and do pay the entire tariff. Free salt means the surrender to England of our Eastern markets, to Canada of our Northern trade. With free salt the Liverpool merchant will supply the retail merchant at a price just below the cost to the Wyoming manufacturer. The consumer will doubtless pay about the same as now, and the difference between the cost abroad and the cost here will be divided between the foreign producer, the ocean carrier, the single distributing agent in New York (who now gets a profit on every pound of salt shipped from Liverpool to the United States or Canada) and the American retailer, while the Government loses the revenue. The American workman must seek some other employment or accept a large reduction in his wages. There is no excuse for putting this finished product on the free list. It is unjust to the American workman, the consumer, and the Government."

"The wool schedule as proposed in the Committee's

bill is in some respects most reprehensible. It proposes to destroy at a blow the great industry of wool-growing, which now ranks as seventh in the value of its products among the several branches of American agriculture, and which has heretofore been recognized as an agricultural product deserving and requiring protection, under every Administration and by every tariff act since that of May 22, 1824. Nothing short of the total destruction of this important industry can be counted upon, as the consequence of placing both wool and mutton on the free list.

"The bill deals with the wool manufacture in terms scarcely less radical than those accorded the wool-growing industry, upon which it so largely depends. It proposes to revolutionize the manufacture of woolen goods by transferring it from the basis of dutiable materials to free wool, a change more radical than any textile industry in any country was ever forced to make, without the most careful provision for a safe and gradual readjustment. Ignoring this feature of the situation, the majority would compel our wool manufacturers to make this leap in the dark, divested of the safeguard of specific duties and subjected to lower ad valorems than will offset the difference in cost of production. We have secured in the United States a magnificent wool manufacturing industry, in which over $300,000,000 are invested, making every variety of woolen goods and employing more than a quarter of a million operatives. This industry the majority offers up as a sacrifice on the altar of tariff reform.

"Contemplated legislation, which imperils over $300,000,000 of capital invested in a particular industry, and

involves the fortunes or the occupations of hundreds of thousands of its citizens, demands special provisions to render such a transition as safe, gradual, and easy as possible. This bill proposes to compel our wool manufacturers to accomplish the transformation in one month —that being the brief interval allowed—after wool becomes free, before the duties compensatory for the wool duties are removed from woolen goods. These manufacturers are expected to accomplish in one month what their foreign competitors have been generations in learning. Many of our best manufacturers will not attempt the feat thus forced upon them. Realizing the animus that underlies such legislation, so suggestive of the Middle Ages, they will close their mills, pocket their losses, and retire. They may truly say that the property they invested, which gave employment to thousands of our people at generous wages, which built up prosperous towns on every water power in the Eastern and Middle States, which added to the Nation's wealth by increasing the earning and the consuming capacity of its people, has been wantonly confiscated by act of the Fifty-third Congress. The terms of the bill are equivalent to an edict from the committee commanding every woolen manufacturer to shut down and keep shut down until the bill becomes a law, and turning thousands of operatives into the street. The bill has been carefully devised, apparently, for the purpose of crippling the domestic manufacturer in advance of a new tariff so that he will be left bruised and broken when the time arrives for him to begin competition for this market under duties from sixty to seventy-five per cent. less than at present. The punishment meted out

to our woolen manufacturers for daring to invest their capital in this useful and important industry is severe and condign. In order that there shall be no mistake about the purpose to destroy the industry, the majority further provides that the punishment shall be extended over the next five years, during which the meagre protection allowed them is to further melt away at the rate of one per cent. a year. No such provision is found in any other schedule; no other class of duties has been reduced so sharply as these; no other industry subjected to a complete reversal of economic conditions. The purpose of the framers of this schedule is a purpose to destroy.

"One of the most amazing propositions of the bill is that bituminous coal shall be put upon the free list, and the million of dollars per annum that we receive from its importation by way of revenue absolutely thrown away. Coal has little value save as it gets it from labor. It is worth almost nothing in the hill; would be worth absolutely nothing were it not for the prospect of being mined. It is not a raw material, for it is not worked into any further shape, but is consumed and done for at once. Call it raw material in the hill, if you please; it then cuts no figure in a tariff bill. Except for a short period, it has always borne a duty. Under the revenue tariff of 1846 it bore a duty of thirty per cent. ad valorem. No change has been made in the duty on it since 1872. The Mills bill provided the same rate as the present law—seventy-five cents per ton. Now it is proposed to make it free. It is difficult to imagine why. It is the most universally prevalent of all the subjects of American industry. There are few States or Territories

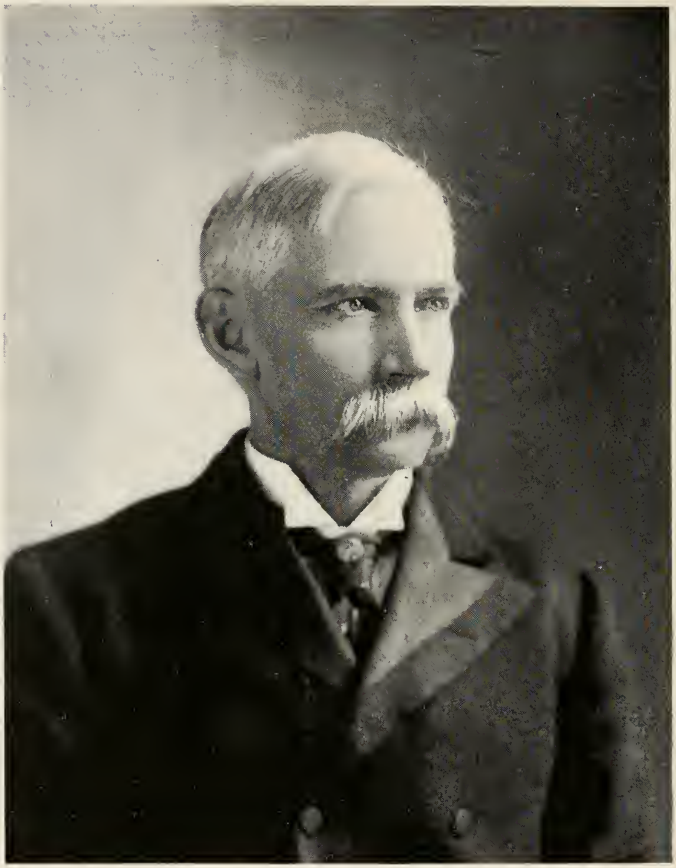
that an inference with it will not affect. It appears that on every side peculiar facilities are afforded to foreigners to seize our coal trade if the duty on coal be stricken down. And this simply by reason of the difference between foreign wage rates and our own. The difference in cost to the consumer from the removal of the duty would be slight in the first instance; the loss to American labor and American capital would be incalculable, and the loss to the whole people in the last analysis beyond measure. To put coal on the free list is without reason and against reason, and finds no semblance of defence save in the unjustifiable desire to exploit a theory at the expense of the American people."

It will be observed that the bill as originally introduced provided for free raw sugar, free wool, free coal, free lumber and free iron ore, and reduced the duties very materially on a great many articles. Its discussion was begun in Committee of the Whole, on January 15, 1894, and on January 24th, a measure providing an income tax was presented to the House, and this, with certain internal revenue features, were incorporated in the pending bill by a vote of 182 to 48. The bill was passed by the House on February 1st, yeas 204, nays 140, not voting eight, four Democrats and four Republicans. Of those voting in the affirmative all were Democrats, but ten Populists; of those in the negative all were Republicans, but fourteen Democrats. The members from New England cast six votes for the bill and nineteen against it; those from the Middle States, yeas, 32, nays 34; from the Western and Northwestern States, yeas 68, nays 59; from the Southern and Southwestern, yeas 92, nays 8; and from the Pacific States, yeas 6, nays 10.

The bill as amended was reported from the Committee on Finance on March 20th, and occupied the attention of the Senate almost constantly until its final adjournment on August 17th. A multitude of amendments—some 634 in all—were proposed by the Committee and ultimately adopted by the Senate, the chief of which were the duties on sugar, coal and iron ore, and the substitution of specific for ad valorem duties, so completely changing the character of the measure as to render it practically a new bill.

The sugar schedule was the most important revenue feature of the measure. It carried with it the abrogation of the reciprocity treaties of the Harrison administration, and the abolition of the sugar bounty of the tariff act of 1890, but the treaty with Hawaii was left in full force. Next to it the income tax provoked the greatest opposition; Senator Hill of New York did all in his power to strike this provision from the bill, but his motion to that effect, on June 28th, failed by a vote of 24 to 40. An amendment offered by Senator Manderson, of Nebraska, on July 2nd, continuing the sugar bounty in force was defeated by a vote of 33 to 37, and an amendment by Senator Peffer, of Kansas, making sugar free was also lost—yeas 33, nays 39. Both propositions were in the main supported by the Republicans and opposed by the Democrats. The amended bill, or substitute was passed by the Senate, on July 3rd, yeas, 39, all Democrats, but two Populists; nays 34, all Republicans except three, one Democrat and two Populists.

A conference with the House on its amendments was asked by the Senate, and Messrs. Voorhees, Harris, Vest, Jones, of Arkansas, Sherman, Allison and Aldrich were



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named as its conferees. The House, on July 7th, peremptorily refused to accept the Senate amendments, by a unanimous vote, and appointed as its conferees, Messrs. Wilson, of West Virginia, McMillin, Turner, of Georgia, Montgomery, Reed, Burrows and Payne. A long and bitter contest was expected, and to add to the perplexities of the situation, Mr. Wilson, Chairman of the Ways and Means Committee, in a speech to the House, on July 7th, gave to Congress and the country the following personal letter from President Cleveland, strongly opposing the passage of the Senate bill:

"The certainty that a conference will be ordered between the two houses of Congress for the purpose of adjusting differences on the subject of tariff legislation," said Mr. Cleveland, "makes it also certain that you will be again called on to do hard service in the cause of tariff reform. My public life has been so closely related to the subject, I have so longed for its accomplishment, and I have so often promised its realization to my fellow-countrymen as a result of their trust and confidence in the Democratic party, that I hope no excuse is necessary for my earnest appeal to you that in this crisis you strenuously insist upon party honesty and good faith and a steady adherence to Democratic principles. I believe these are absolutely necessary conditions to the continuation of Democratic existence. I can not rid myself of the feeling that this conference will present the best, if not the only hope of true Democracy. Indications point to its action as the reliance of those who desire the genuine fruition of Democratic effort, the fulfillment of Democratic pledges, and the redemption of Democratic promises to the people. To reconcile

differences in the details comprised within the fixed and well-defined lines of principle will not be the sole task of the conference; but, as it seems to me, its members will also have in charge the question whether Democratic principles themselves are to be saved or abandoned. There is no excuse for mistaking or misapprehending the feeling and temper of the rank and file of the Democracy. They are downcast under the assertion that their party fails in ability to manage the Government, and they are apprehensive that efforts to bring about tariff reform may fail; but they are much more downcast and apprehensive in their fear that Democratic principles may be surrendered. In these circumstances they can not do otherwise than to look with confidence to you and those who with you have patriotically and sincerely championed the cause of tariff reform within Democratic lines and guided by Democratic principles. This confidence is vastly augmented by the action under your leadership of the House of Representatives upon the bill now pending. Every true Democrat and every sincere tariff reformer knows that this bill in its present form, and as it will be submitted to the conference, falls far short of the consummation for which we have long labored; for which we have suffered defeat without discouragement; which in its anticipation gave us a rallying cry in our day of triumph; and which, in its promise of accomplishment, is so interwoven with Democratic pledges and Democratic success, that our abandonment of the cause, or the principles upon which it rests, means party perfidy and party dishonor. One topic will be submitted to the conference which embodies Democratic principles so directly that it can not be compromised.

We have in our platform in every way possible declared in favor of the free importation of raw materials. We have again and again promised that this should be accorded to our people and our manufacturers as soon as the Democratic party was invested with the power to determine the tariff policy of the country. The party now has that power. We are as certain to-day as we have ever been of the great benefit that would accrue to the country from the inauguration of this policy, and nothing has occurred to release us from our obligations to secure this advantage to our people. It must be admitted that no tariff measure can accord with Democratic principles and promises, or bear a genuine Democratic badge, that does not provide for free raw materials. In these circumstances it may well excite our wonder that Democrats are willing to depart from this, the most Democratic of all tariff principles, and that the inconsistent absurdity of such a proposed departure should be emphasized by the suggestion that the wool of the farmer be put on the free list, and the protection of tariff taxation be placed around the iron ore and coal of corporations and capitalists. How can we face the people after indulging in such outrageous discriminations and violations of principle? It is quite apparent that this question of free raw materials does not admit of adjustment on any middle ground, since their subjection to any rate of tariff taxation, great or small, is alike violative of Democratic principle and Democratic good faith. I hope you will not consider it intrusive if I say something in relation to another subject which can hardly fail to be troublesome to the conference. I refer to the adjustment of tariff taxation on sugar. Under our party

platform and in accordance with our declared party purposes sugar is a legitimate and logical article of revenue taxation. Unfortunately, however, incidents have accompanied certain stages of the legislation which will be submitted to the conference that have aroused in connection with this subject a natural Democratic animosity to the methods and manipulations of trusts and combinations. I confess to sharing in this feeling; and yet it seems to me we ought, if possible, to sufficiently free ourselves from prejudice to enable us coolly to weigh the considerations which, in formulating tariff legislation, ought to guide our treatment of sugar as a taxable article. While no tenderness should be entertained for trusts, and while I am decidedly opposed to granting them, under the guise of tariff taxation, any opportunity to further their peculiar methods, I suggest that we ought not to be driven away from the Democratic principle and policy which lead to the taxation of sugar by the fear, quite likely exaggerated, that in carrying out this principle and policy we may indirectly and inordinately encourage a combination of sugar-refining interests. I know that in present conditions this is a delicate subject, and I appreciate the depth and strength of the feeling which its treatment has aroused. I do not believe that we should do evil that good may come, but it seems to me that we should not forget that our aim is the completion of a tariff bill, and that in taxing sugar for proper purposes and within reasonable bounds, whatever else may be said of our action, we are in no danger of running counter to Democratic principle. With all there is at stake there must be in the treatment of this article some ground upon which

we are willing to stand, where toleration and conciliation may be allowed to solve the problem without demanding the entire surrender of fixed and conscientious convictions. I ought not to prolong this letter. If what I have written is unwelcome, I beg you to believe in my good intentions. In the conclusions of the conference touching the numerous items which will be considered, the people are not afraid that their interests will be neglected. They know that the general result, so far as these are concerned, will be to place home necessaries and comforts easier within their reach, and to insure better and surer compensation to those who toil. We all know that a tariff covering all the varied interests and conditions of a country as vast as ours must of necessity be largely the result of honorable adjustment and compromise. I expect very few of us can say, when our measure is perfected, that all the features are entirely as we would prefer. You know how much I deprecated the incorporation in the proposed bill of the income tax feature. In matters of this kind, however, which do not violate a fixed and recognized Democratic doctrine, we are willing to defer to the judgment of a majority of our Democratic brethren. I think there is a general agreement that this is party duty. This is more palpably apparent when we realize that the business of our country timidly stands and watches for the result of our efforts to perfect tariff legislation, that a quick and certain return of prosperity waits upon a wise adjustment, and that a confiding people still trust in our hands their prosperity and well-being. The Democracy of the land plead most earnestly for the speedy completion of the

tariff legislation which their representatives have undertaken, but they demand not less earnestly that no stress of necessity shall tempt those they trust to the abandonment of Democratic principles."

Astonishing and unprecedented in the annals of legislation though it may have seemed to many of its hearers, the President's letter was nevertheless received with great applause by the Democrats of the House, and with cheers and laughter by the Republicans, and such may be said generally of its reception by the two parties throughout the country. It served, however, to intensify the feeling in the Senate against the original House bill, and every effort in that body to recede from its amendments proved unavailing. Caucuses were held by the Democratic members of the two houses on August 7th and 13th, at the first of which no definite action was taken, but at the latter it was agreed by a vote of 130 to 21 to concur in the Senate amendments without change or exception, thus passing the Senate tariff bill, and then to pass for the Senate's consideration four separate bills placing sugar, coal, iron, and barbed wire on the free list. These were derisively styled by the press as "popgun bills," and their passage was never expected, even by their authors. Still the programme was faithfully followed. The House agreed to recede from its disagreement to the Senate amendments, on August 13th, by a vote of 182 to 106. Seven Populists united with the majority party in the affirmative, and twelve Democrats voted with the Republicans in the negative. The four separate bills providing for free coal, free iron ore, free barbed wire fencing, and free

sugar, were then introduced by Mr. Wilson in the order named, and all passed by the House, that for free sugar practically without opposition, and the others by the requisite vote. In the Senate all were referred to the Committee on Finance on August 17th, by a test vote of 32 to 17, eleven Democrats and three Populists voting with the Republicans for such reference. During the debate on this motion a letter was read from the Secretary of the Treasury stating that if sugar was placed on the free list the expenditures for the next fiscal year would exceed the revenues by $27,478,058, and if all four bills were passed the deficiency would be $29,478,058. We shall see that although none of them were enacted the deficit was nevertheless still greater than here estimated.

As was naturally to be expected under circumstances so extraordinary, President Cleveland did not sign the Senate substitute for the so-called Wilson bill. He did not, as might be supposed, veto the bill outright, but permitted it to become a law by lapse of time, on August 27th, the day before Congress adjourned, contenting himself with the following explanation of his course, in a letter from the Executive Mansion, of that date, to Representative Catchings, of Mississippi:

"Since the conversation I had with you and Mr. Clark, of Alabama, a few days ago, in regard to my action upon the tariff bill now before me, I have given the subject further and more serious consideration. The result is, I am more settled than ever in the determination to allow the bill to become a law without my signature. When the formulation of legislation which it was hoped would embody Democratic ideas of tariff

reform was lately entered upon by Congress, nothing was further from my anticipation than a result which I could not promptly and enthusiastically endorse. It is therefore with a feeling of the utmost disappointment that I submit to a denial of this privilege. I do not claim to be better than the masses of my party, nor do I wish to avoid any responsibility which, on account of the passage of this law, I ought to bear as a member of the Democratic organization. Neither will I permit myself to be separated from my party to such an extent as might be implied by a veto of the tariff legislation, which, though disappointing, is still chargeable to Democratic efforts. But there are provisions in the bill which are not in line with honest tariff reform, and it contains inconsistencies and crudities which ought not to appear in tariff laws or laws of any kind. Besides, there were, as you and I well know, incidents accompanying the passage of the bill through Congress which made every sincere tariff reformer unhappy while influences surrounded it in its later stages, and interfered with its final construction, which ought not to be recognized or tolerated in Democratic tariff reform. And yet, notwithstanding all its vicissitudes and all the bad treatment it received at the hands of pretended friends, it presents a vast improvement to existing conditions. It will certainly lighten many tariff burdens that now rest heavily upon the people. It is not only a barrier against the return of mad protection, but it furnishes a vantage ground from which must be waged further aggressive operations against protected monopolies and governmental favoritism. I take my place with the rank and file of the Democratic party who believe in tariff reform

and who know what it is, who refuse to accept the result embodied in this bill as the close of the war, who are not blinded to the fact that the livery of Democratic reform has been stolen and worn in the service of Republican protection, and who have marked the places where the deadly blight of treason has blasted the counsels of the brave in their hour of might. The trusts and combinations, the communism of pelf, whose machinations have prevented us from reaching the success we deserved, should not be forgotten nor forgiven. We shall recover from our astonishment at their exhibition of power, and if then the question is forced upon us whether they shall submit to the free legislative will of the peoples' representatives, or shall dictate the laws which the people must obey, we will accept and settle that issue as one involving the integrity and safety of American institutions. · · · · · The millions of our countrymen who have fought bravely and well for tariff reform should be exhorted to continue the struggle, boldly challenging to open warfare and constantly guarding against treachery and half-heartedness in their camp. Tariff reform will not be settled until it is honestly and fairly settled in the interests and to the benefit of a patient and long-suffering people."

But the people were no longer to be deceived; their patience was in truth exhausted with pleas for a "reform" that brought only distress to the business interests of the country, that deranged our finances, and instead of abundant revenue, brought nothing but deficiencies to the Government. The result of the November elections proved this conclusively, for never

in the history of the United States, in any Congressional election, was the party and doctrine of protection so overwhelmingly endorsed. The Democratic majority of ninety-four in the House of Representatives in the Fifty-third Congress was changed to a Republican majority of one hundred and forty in the Fifty-fourth Congress. Not only was the victory sweeping and decisive in the North, or in States usually Republican, but for the first time in many years, more Republicans were elected from the South than Democratic members were returned from the North, including even the strongholds of that party in the great cities. The Senate, too, was partly recovered, the Republican membership having been increased by gains in legislative elections from thirty-six to forty-three in a total of eighty-eight. The Republican majorities were everywhere phenomenal, and nowhere larger than in the great States of New York, Illinois and Indiana, which in 1892 had given their electoral votes for the Democratic ticket.

The income tax feature of the new law was at once attacked by eminent lawyers on the ground of unconstitutionality. It provided that "there shall be assessed, levied, collected, and paid annually upon the gains, profits and incomes received in the preceding calendar year by every citizen of the United States, whether residing at home or abroad, and every person residing therein, whether said gains, profits or income be derived from any kind of property, rents, interest, dividends, or salaries, or from any profession, trade, employment or vocation carried on in the United States or elsewhere, or from any source whatever, a tax of two

per cent. on the amount so derived, over and above $4,000, and a like tax shall be levied, collected and paid annually upon the gains, profits, and increase from all property owned, and of every business, trade or profession carried on in the United States by persons residing without the United States." It was to go into effect on January 1, 1895, and to continue in force until January 1, 1900. On February 13, 1895, Congress extended the time of making the returns, in that year only, until April 15th, and fixed certain new exemptions or deductions in computing incomes. But on March 13th, a suit was begun in the United States Supreme Court to test the constitutionality of the income tax, and arguments for and against it were made by Messrs. George F. Edmunds, Joseph H. Choate, James C. Carter, and Attorney General Olney. On April 7th the Court handed down its decision, unanimously concurring that direct taxes ought not to be levied by the General Government except under the pressure of extraordinary exigency; that such had always been the practice down to August 15, 1894; that so much of the new act as attempted to impose a tax upon the rent or income of real estate without apportionment was invalid; that the tax upon the income derived from municipal bonds was invalid—and that upon other questions raised by counsel the Court was equally divided, and therefore expressed no opinion. On the question of taxing rents the Court was said to stand: Affirming the law, Justices Harlan and White; opposed, Chief Justice Fuller, and Justices Brewer, Brown, Field, Gray, and Shiras. On the general question of its constitutionality, the Court divided equally:

For the law, Justices Brewer, Brown, Harlan and White; against it, Chief Justice Fuller and Justices Field, Gray and Shiras. Justice Jackson was sick and did not hear the case. Mr. W. D. Guthrie, one of those actively engaged in the case, was impressed with the idea that upon a further hearing the Court would declare the whole law invalid, and an application for a rehearing was accordingly made and granted, the Court convening for such purpose on May 7th. Arguments were made against the law by Messrs. Choate and Guthrie and for it by Attorney General Olney, and the Assistant Attorney General, Mr. Whitney, and on May 27th the Court handed down its decision declaring every provision contained in sections 27 to 37 of the Wilson act to be unconstitutional, null and void. The vote of the Court was as follows: Against the law, Chief Justice Fuller (Dem.), Justices Field (Dem.), Gray (Rep.), Brewer (Rep.), and Shiras (Rep.); sustaining the law, Justices Harlan (Rep.), Brown (Rep.), Jackson (Dem.), and White (Dem.). In concluding his opinion Judge Harlan asked this pertinent question: "The judgment just rendered defeats the purpose of Congress by taking out of the revenue not less than $30,000,000, and possibly $50,000,000, expected to be raised of incomes. We know from the official journals of both houses of Congress that taxation would not have been reduced to the extent it was by the Wilson act but for the belief that if the country had the benefit of revenue derived from a tax on incomes it could be safely done. We know from official sources that each house of Congress distinctly refused to strike out the provisions imposing a tax on

incomes. · · · · If, therefore, all the income-tax sections of the Wilson act must fall because some of them are invalid, does not the judgment this day rendered furnish ground for the contention that the entire act falls when the Court strikes from it all of the income-tax provisions, without which the act would never have been passed?"

Another point of great contention may be mentioned in this connection. The tariff act of 1890 provided for an annual appropriation by Congress for the amount of the bounty guaranteed the domestic producers of sugar, and the sum estimated as necessary for this purpose by the Secretary of the Treasury for 1895 was $11,000,000. This sum had been honorably earned by the sugar-producers of the country and its payment was naturally expected. On September 5, 1895, however, Hon. Robert B. Bowler, of Ohio, Comptroller of the Treasury, rendered a decision on the constitutionality of the sugar bounty appropriated in the Sundry Civil Bill by the Fifty-third Congress (Democratic in both branches), the case being that of the Oxnard Beet Sugar Company, of Nebraska, for $11,782.50. Until this hour it had not been generally supposed that the Comptroller had any jurisdiction by which he could pass upon the right of payment, but Mr. Bowler asserted his jurisdiction and right to refuse payment of these bounties on the ground of the unconstitutionality of the appropriation —although made in obedience to existing law. He quoted the decision of the Court of Appeals of the District of Columbia, in a suit brought for a mandamus to compel the Secretary of the Treasury, and the Commissioner of Internal Revenue to pay the sugar bounty

provided in the act of 1890, and held that the Court having decided all such bounties to be unconstitutional. its decision was one of which he was bound to take cognizance. He therefore ordered the papers to be returned to the Auditor for transmission to the Court of Claims, "in order that there may be furnished a precedent for the future action of the Executive Department in the adjustment of the class of cases involved in these sugar bounties."

The tariff received but little attention at the third session of the Fifty-third Congress, which began December 3, 1894, and ended by the constitutional limitation, March 3, 1895. President Cleveland discussed some of its features in his annual message, but his recommendations were not adopted, nor was any determined effort made to amend the act of the preceding August in any essential particular. He said:

"The German Government has protested against that provision of the customs tariff act which imposes a discriminating duty of one-tenth of one cent a pound on sugars coming from countries paying an export bounty thereon, claiming that the exaction of such a duty is in contravention of Articles V and IX of the treaty of 1828 with Prussia. In the interest of the commerce of both countries, and to avoid even the accusation of treaty violation, I recommend the repeal of so much of the statute as imposes that duty, and I invite attention to the accompanying report of the Secretary of State containing a discussion of the questions raised by the German protests. . . . . The Secretary of the Treas ury reports that the receipts of the Government from all sources of revenue during the fiscal year ending

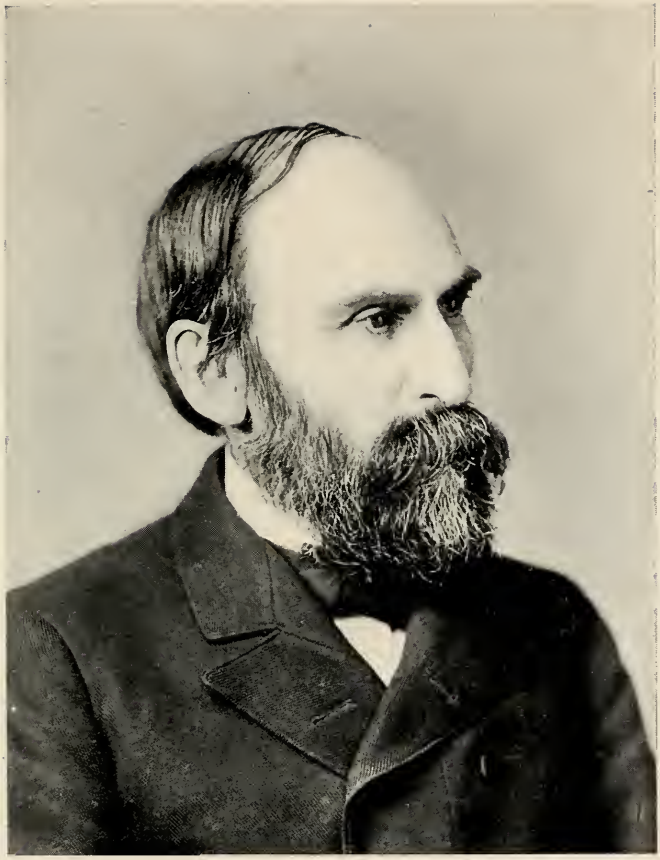
June 30, 1894, amounted to $382,802,498.29, and its expenditures to $442,605,758.87, leaving a deficit of $69,803,260.58. There was a decrease of $15,952,674.66 in the ordinary expenses of the Government as compared with the fiscal year 1893. There was collected from customs $131,818,530.62, and from internal revenue $147,168,449.70. The balance of the income for the year, amounting to $93,815,517.97, was derived from sales of lands and other sources. The value of our total dutiable imports amounted to $275,199,086, being $146,657,625 less than during the preceding year; and the importations free of duty amounted to $379,795,536, being $64,748,675 less than during the preceding year. The receipts from customs were $73,536,486.11 less, and from internal revenue $13,836,539.97 less, than in 1893. The total tax collected from distilled spirits was $85,259,250.25; on manufactured tobacco, $28,617,898.62; and on fermented liquors, $31,414,788.04. Our exports of merchandise, domestic and foreign, amounted during the year to $892,140,572, being an increase over the preceding year of $44,495,378. . . . . The tariff act passed at the last session of the Congress needs important amendments if it is to be executed effectively and with certainty. In addition to such necessary amendments as will not change rates of duty, I am still very decidedly in favor of putting coal and iron upon the free list. So far as the sugar schedule is concerned, I would be glad, under existing aggravations, to see every particle of differential duty in favor of refined sugar stricken out of our tariff laws. If with all the favor now accorded the sugar-refining interest in our tariff laws it still languishes to the ex-

tent of closed refineries and thousands of discharged workmen, it would seem to present a hopeless case for reasonable legislative aid. Whatever else is done or omitted, I earnestly repeat here the recommendation I have made in another portion of this communication, that the additional duty of one-tenth of a cent per pound laid upon sugar imported from foreign countries paying a bounty on its export be abrogated. It seems to me that exceedingly important considerations point to the propriety of this amendment. With the advent of a new tariff policy not only calculated to relieve the consumers of our land in the cost of their daily life, but to invite a better development of American thrift and create for us closer and more profitable commercial relations with the rest of the world, it follows as a logical and imperative necessity that we should at once remove the chief, if not the only, obstacle which has so long prevented our participation in the foreign carrying trade of the sea. A tariff built upon the theory that it is well to check imports and that a home market should bound the industry and effort of American producers was fitly supplemented by a refusal to allow American registry to vessels built abroad though owned and navigated by our people, thus exhibiting a willingness to abandon all contest for the advantages of American transoceanic carriage. Our new tariff policy, built upon the theory that it is well to encourage such importations as our people need, and that our products and manufactures should find markets in every part of the habitable globe, is consistently supplemented by the greatest possible liberty to our citizens in the

ownership and navigation of ships in which our products and manufactures may be transported. The millions now paid to foreigners for carrying American passengers and products across the sea should be turned into American hands. Ship-building, which has been protected to strangulation, should be revived by the prospect of profitable employment for ships when built, and the American sailor should be resurrected and again take his place—a sturdy and industrious citizen in time of peace and a patriotic and safe defender of American interests in the day of conflict. The ancient provision of our law denying American registry to ships built abroad and owned by Americans appears in the light of present conditions not only to be a failure for good at every point, but to be nearer a relic of barbarism than anything that exists under the permission of a statute of the United States. I earnestly recommend its prompt repeal."

CHAPTER V.

To provide for the steadily increasing deficiency in the Treasury occasioned by a change in our tariff laws, the Administration had resorted to the policy of issuing bonds, an expedient that should have been adopted only after all reasonable efforts to secure an adequate revenue to meet the needs of the Government had been fully exhausted. This, however, was not the reason given for their issue by the Secretary and the President. The excuse offered was that it was necessary to issue the bonds in order to maintain the gold reserve of $100,000,000 in the Treasury for the redemption of greenbacks. Such a necessity had not before arisen since the resumption of specie payments, and for the first time the gold reserve of $100,000,000 was en-



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croached upon. Under the demands imposed upon it by its tariff reform policy, however, the Administration felt constrained to apply it to meet the daily necessities of the Government, and even this did not suffice to meet the demands for the gold which was being so largely used in the payment of the trade balances against us. In January, 1894, $50,000,000 in bonds were issued, and a second issue of $50,000,000 was again deemed necessary on November 26, 1894. The sum of $116,000,000 was realized by the sale of these bonds, yet the gold reserve in the Treasury was steadily depleted until it had fallen to $58,463,173. On that day, November 26th, the President sent a special message to Congress and urged the issue of bonds, payable in gold, instead of in coin, as had heretofore been the practice, to replenish the gold reserve and redeem the legal-tender notes of the Government. The amount of such notes was stated by him to be about $500,000,000. "More than $172,000,000," said he, "have been drawn out of the Treasury during the year for the purpose of shipment abroad or hoarding at home. While nearly $103,000,000 was drawn out during the first ten months of the year a sum aggregating more than two thirds of that amount, being about $69,000,000, was drawn out during the following two months, thus indicating a marked acceleration of the depleting process with the lapse of time." In other words, while about $20,600,000 had been drawn out before the passage of the new tariff law, about $151,400,000 "of the depleting process" had followed its enactment. Still the President saw no relief in the adoption of a policy that would at once both provide abundant revenue and protect our home

industries, by adjusting the tariff on protective lines. "It will hardly do," he observed, "to say that a simple increase of revenue will cure our troubles. The apprehension now existing and constantly increasing as to our financial ability does not rest upon a calculation of our revenue. The time has passed when the eyes of investors abroad and our people at home were fixed upon the revenues of the Government. Changed conditions have attracted attention to the gold of the Government. There need be no fear that we can not pay our current expenses with such money as we have. There is now in the Treasury a comfortable surplus of more than $63,000,000, but it is not in gold, and therefore does not meet our difficulty."

The "changed conditions" had indeed "accelerated" the process of "investors abroad" getting possession of the gold of our people. But it is not hard to see why, under the protective policy, when we were both making our goods and keeping our gold at home, no similar "difficulty" as that which now alarmed the President had ever occurred.

A bill designed to carry out the President's recommendations was introduced in the House of Representatives on November 26th, by Hon. William M. Springer, of Illinois. For this bill Mr. Reed, of Maine, offered a substitute, entitled "a bill to provide for a temporary deficiency of revenue." By this the Secretary of the Treasury was authorized to issue bonds, bearing not more than three per cent. interest, and payable in coin, "to an amount sufficient to provide for and maintain the redemption of United States notes," as provided in the specie resumption act of 1875, and "to pay the

current expenses of the Government as long as the current revenues shall be deficient." An elaborate substitute was also offered by Hon. Nicholas N. Cox, of Tennessee, to meet the views of the Democratic members who were, with him, opposed to gold alone being required in payment of the bonds. The substitute by Mr. Reed was rejected by the House, on February 7th, by a vote of 107 yeas to 189 nays, and that by Mr. Cox by 55 yeas to 184 nays. The bill by Mr. Springer was also defeated—yeas 135, Republicans 42, Democrats 93; nays 162, Republicans 55, Democrats 107. Four Democrats answered "present," and forty-eight members, twenty-two Republicans and twenty-six Democrats, did not vote. Mr. Springer moved to reconsider this vote, and Mr. Hatch to table his motion, which prevailed by 135 yeas to 124 nays.

On the next day, February 8, 1895, President Cleveland sent another special message to Congress announcing the third sale of bonds under the present Administration "to parties abundantly able to fulfill their undertaking, whereby bonds of the United States authorized under the act of January 14, 1875, payable in coin thirty years after their date, with interest at the rate of four per cent. per annum, to the amount of a little less than $62,400,000, are to be issued for the purchase of gold coin, amounting to a sum slightly in excess of $65,000,000, to be delivered to the Treasury of the United States, which sum, added to the gold now held in our reserve, will so restore such reserve as to make it amount to more than $100,000,000." The bonds were purchased by Messrs. August Belmont & Co., of New York, on behalf of Messrs. N. M. Rothschild & Sons, of

London, England, and Messrs. J. P. Morgan & Co., of New York, on behalf of Messrs. J. S. Morgan & Co., of London, as stated in a report of the Ways and Means Committee of the House, on February 13th, and was made without public notice or competitive bidding as had previously been the practice in all such transactions. This report recommended the adoption of a joint resolution authorizing the issue of $65,116,275 of gold three per cent. bonds. This also was disagreed to by the House, on February 14th, by a vote of 120 yeas to 167 nays. Of those voting in the affirmative thirty were Republicans and ninety Democrats; of those in the negative, fifty-five were Republicans and 112 Democrats, while two Democrats answered "present" and sixty members did not vote—twenty-three Republicans and thirty-seven Democrats.

The first session of the Fifty-fourth Congress convened on Monday, December 2, 1895. Hon. Thomas B. Reed, of Maine, was the unanimous choice of the Republican caucus for Speaker, and was elected by the House over Hon. Charles F. Crisp, of Georgia, the retiring Speaker, by a vote of 244 to 105. On December 17th, the Speaker announced the appointment of the Ways and Means Committee, as follows: Messrs. Nelson Dingley, Jr., of Maine, Chairman, Sereno E. Payne, of New York, John Dalzell, of Pennsylvania, Albert J. Hopkins, of Illinois, Charles H. Grosvenor, of Ohio, Charles A. Russell, of Connecticut, Jonathan P. Doliver, of Iowa, George W. Steele, of Indiana, Martin N. Johnson, of North Dakota, and Walter Evans, of Kentucky, Republicans; and Charles F. Crisp, of Georgia, Benton F. McMillin, of Tennessee, Henry G. Turner,

of Georgia, John C. Tarsney, of Missouri, Joseph Wheeler, of Alabama, and John McLaurin, of South Carolina, Democrats. The Committees of the Senate were reorganized on December 30th, by a vote of 30 to 28, to meet the change in the political complexion of that body, by a special committee appointed for the purpose. The Finance Committee agreed upon was as follows: Messrs. Justin S. Morril, of Vermont, Chairman; John Sherman, of Ohio; John P. Jones, of Nevada; William B. Allison, of Iowa; Nelson W. Aldrich, of Rhode Island; Orville H. Platt, of Connecticut; Edward O. Wolcott, of Colorado; Daniel W. Voorhees, of Indiana; Isham G. Harris, of Tennessee; George G. Vest, of Missouri; James K. Jones, of Arkansas; Stephen M. White, of California; and Edward C. Walthall, of Mississippi. Hon. William P. Frye, of Maine, was agreed upon for President pro tem. of the Senate, and was elected to that office on February 7, 1896.

President Cleveland recommended no changes whatever in our revenue laws, in his annual message to Congress, December 3, 1895. The tariff question, indee was treated very briefly, and in but a single short paragraph, reading as follows:

"By command of the people a customs-revenue system, designed for the protection and benefit of favored classes at the expense of the great mass of our countrymen, and which, while inefficient for the purpose of revenue, curtailed our trade relations and impeded our entrance to the markets of the world, has been superseded by a tariff policy which in principle is based upon the denial of the right of the Government

to obstruct the avenues to our people's cheap living or lessen their comfort and contentment, for the sake of according especial advantages to favorites, and which, while encouraging our intercourse and trade with other nations, recognizes the fact that American self-reliance, thrift, and ingenuity can build up our country's industries and develop its resources more surely than enervating paternalism."

The President did not attempt to show the progress made in "building up our country's industries and developing its resources" under the tariff act of 1894, nor did he offer any comparison of the gain by its operations in contrast with the law of 1890 and the previous protective legislation of the Republican party. Neither did he show wherein the act of 1890 was "inefficient for the purpose of revenue," nor the improvement made under the new law in this or any respect, as an example of the great advantages he predicted would certainly follow the adoption of his "tariff reform" policy. Such a review could not have but impressed the country, and added to the enlightenment of the people.

This message was quickly followed by a special message to Congress, on December 17th, treating exclusively of the Venezuelan boundary controversy, a dispute that to some degree threatened serious complications and possibly a war with Great Britian, with the enormous outlays that such a step would necessarily involve. On December 20th the President sent a second special message to Congress devoted entirely to the public credit and the condition of our National finances. So serious had the situation now become, in the opinion of

the President, that Congress was asked to forego its customary holiday vacation. They must devote themselves exclusively to the public business to meet the overshadowing emergency.

"After all the efforts that have been made by the Executive branch of the Government," said Mr. Cleveland, "to protect our gold reserve by the issuance of bonds amounting to more than $162,000,000, such reserve now amounts to but little more than $79,000,000, and about $16,000,000 were withdrawn from such reserve during the month next previous to the date of my last annual message, and quite large withdrawals for shipment in the immediate future are predicted." The remedy for this condition, suggested by the President, was not to increase the revenues of the Government until they were adequate to meet its expenditures. The "sudden and unusual apprehension and timidity in business circles" described by him was, apparently, to be met only by issuing more bonds.

The President did not state, as might frankly have been done, that the new tariff law had not begun to meet the necessities of the Government, from the standpoint simply of providing adequate revenues to meet its expenditures. Up to the meeting of the Fifty-fourth Congress the so-called Wilson act had been in force fifteen months, and the official statements of the Treasury Department of the receipts and expenditures of the Government under its operations up to September 30, 1895, had disclosed the following facts: The expenditures exceeded the receipts in the month of September, 1894, $7,701,789.73. For the quarter ending December 31, 1894, the receipts were $61,211,058.11 and the ex-

penditures $88,324,246.70—showing a deficiency of $27,113,188.59. For the quarter ending March 31, 1895, receipts $77,991,042.75, expenditures $85,951,016.43, deficiency $7,959,973.68. For the quarter ending June 30th, receipts $75,215,297.83, expenditures, $83,291,801.76—deficiency $8,076,503.93. For the quarter ending September 30th, receipts $87,390,864.90, expenditures $95,445,734.09—deficiency $8,054,869.19. A total for the period of $324,429,492.47 in receipts and $383,335,817.59 in expenditures, or a deficiency of $58,906,325.12. The revenues of the Government from all sources for the fiscal year ending June 30, 1895, were $390,373,203.30, and the expenditures for that period $433,178,426.48, showing a deficit of $42,805,223.18. Nor has this condition since been improved. The receipts of the Government for the quarter ending December 31, 1895, were $81,880,927.46, and its expenditures $87,360,517.12, a deficiency of $5,479,589.66. For the quarter ending March 31, 1896, the receipts were $81,338,047.69, the expenditures $86,554,291.05, and the deficiency $5,216,243.36. This record is also being maintained during the current month, for up to April 17th the receipts of the Government were $14,225,688.12, and the expenditures $20,956,388.00, showing a deficiency of $6,730,699.88, or nearly $400,000 per day. The aggregate receipts under the new tariff law from September 1, 1894, to April 17, 1896, have been $501,874,155.74, and the expenditures $578,207,013.76—showing a deficit of $76,332,858.02, or an average per month of $3,452,745.

Obedient to the President's request, Congress, despite its custom, continued in session, and on December 26th,

Mr. Dingley, Chairman of the Ways and Means Committee of the House of Representatives, introduced a bill to "temporarily increase revenue to meet the expenses of government and to provide against a deficiency," and in connection with the matter submitted an able and interesting report, from which the following passages are taken. He said:

"Your Committee regard the chronic deficiency of revenue for the past two years and a half as a most potent cause of the difficulties which the Treasury has encountered, and an important factor in the creation and promotion of that serious distrust which has paralyzed business and dangerously shaken confidence even in the financial operations of the Government. It is as impossible for a government to have a continuous deficiency of revenue for two years and a half without affecting its financial standing, as it is for an individual. It is impossible also for a government to continue in this condition without casting a shadow of doubt and discouragement over all business operations within its borders. The serious fact which we are called upon to confront is that in the two and a half years that have elapsed since July 1, 1893, this Government has had an insufficiency of revenue to meet current expenditures amounting in the aggregate to about $133,000,000. Even in the first half of the present fiscal year the deficiency will reach about $20,000,000 and about $3,000,000 during the present month. And up to the present time there is no sufficient ground for concluding that this insufficiency of revenue will not continue during the remainder of the fiscal year, and how much longer no one can safely predict. If the consequences

of such a chronic deficiency were only the necessity of borrowing money to meet current expenses in time of peace, even this would afford abundant reason for increasing the revenue. But the consequences are more wide reaching than that. Insufficiency of revenue has made it necessary to use the redeemed United States legal-tender notes to pay current expenditures, and thus to supply additional means to draw gold from the greenback redemption fund—in short, to create the 'endless chain' of which the Secretary of the Treasury complains, and which has made it necessary to sell issue after issue of bonds to replenish the reserve. In response to the urgent call of the President, your Committee have felt impelled to act with all possible dispatch. Two facts have led your Committee to look to an increase of customs duties as the most appropriate source of additional revenue. They are, first, the fact that we are already raising a disproportionate amount from internal revenue, which has always been regarded as a war resort. Indeed, Jefferson took the ground that excise taxes should not be resorted to by the Federal Government as sources of revenue in time of peace, and the Democratic National Convention maintained the same doctrine in 1884; and, secondly, the fact that by increasing customs duties on imported articles which we can and ought to produce or make at home, for revenue purposes, we can at the same time incidentally encourage stricken industries and materially aid in turning in our favor the balance of trade which has been so heavily against us all through this calendar year, and which has caused a demand for gold for export that our Treasury has been

called upon to supply. For so long as the balance of trade is against us on account of excessive imports of articles which we ought to produce or make for ourselves, we must export gold or (what is the same thing) promise to pay gold to pay for the excess of imports over the exports.

"Your Committee have not undertaken a general revision of the tariff on protection lines, as a majority hope can be done in 1897, not only because they know that such tariff legislation would stand no chance of becoming a law, but also because general tariff revision would require many months; and the need is more revenue at once. We believe, however, that this need of more revenue is so great that a simple measure increasing all duties of the dutiable list, and taking from the free list of the present tariff a few articles that were always on the dutiable list until August 27, 1894, and which have always been important revenue producers, and limiting the operation of such legislation to about two years and a half—until the present deficiency of of revenue is overcome—ought to receive the approval even of those who do not favor protective duties on patriotic grounds; and that the fact that it may incidentally encourage the production of many articles that we require at home instead of abroad will not be regarded as a ground of opposition under present circumstances. In framing the bill submitted for your consideration it has been necessary, if action was to be taken promptly, to resort to a considerable extent to a horizontal raise of duties, for the reason that it would have required months to deal with each article separately. Horizontal dealing with tariffs can not be justi-

fied in ordinary times, but in such an exigency as exists now—so serious. that the President felt it his duty to send us a special message of extreme urgency—and especially for a limited time, it is not only defensible, but it is the only alternative. But while we have presented in the bill reported a horizontal increse of fifteen per cent. of existing duties on all the schedules but two, which is an addition of less than eight per cent. to the average ad valorem rate giving about $15,000,000 revenue from that source, yet more than $25,000,000 of of the $40,000,000 which it is estimated this bill would add to our annual revenue will come mainly from wool, which is taken from the free list and given a moderate duty, and from manufactures of wool, which are given a compensatory duty equivalent to the duty on wool, which is always necessary when a duty is placed on wool, in order to give the wool-grower the benefit and make it possible to manufacture woolens at home. The bill reported by your Committee proposes to make the duty on imported clothing wool sixty per cent. of the duty imposed by the act of 1890, which would give an equivalent of six and six-tenths of a cent per pound on unwashed wool, or about forty per cent. ad valorem. This reduction from the duty of the act of 1890 has been made because the restoration of the full duty in that act might seem to be too great a change from the present law to those whose co-operation it is necessary to secure in order to have any legislation, and not as a measure of what might be done when all branches of the Government are in harmony with the majority of the House on protection lines. The duty on manufactures of wool is increased by a specific duty equi-

valent to the duty on wool. The duty on carpet wools is left at the thirty-two per cent. ad valorem, where it was placed in 1890. This is a purely revenue duty, as we raise very few carpet wools.

"Such lumber as was placed on the free list by the act of 1890, without the slightest justification, is restored to the dutiable list, but with a duty of only sixty per cent. of the duties provided by the act of 1890—giving an equivalent of only about fifteen per cent. Such a reduction from the low rates of 1890 is justified only on the ground that the object of your Committee has been to frame a bill mainly on revenue grounds, in the hope that it would secure the approval of those in official place whose co-operation is essential to legislation, and who may be supposed to feel that in such an exigency as now exists the public necessity must control."

The rules were suspended and the bill immediately passed by the House, on December 26th, by a vote of 205 yeas to 81 nays, the Republicans in the affirmative, and the Democrats and Populists in the negative. Thus the House acted with signal promptness and a fairness and conservatism rarely equalled in a body so completely controlled by the party in opposition to the existing Administration.

In the Senate, on December 31st, Mr. Sherman offered a resolution, declaring that it was owing "to injurious legislation by the Fifty-third Congress, that the revenues of the Government had been reduced below its necessary expenditures, and the fund created by law for the redemption of United States notes had been invaded to supply deficiencies of reserve, and that such a misapplication of the resumption fund is of doubtful

legality and greatly injurious to the public credit," and should be prevented by restoring the sum that had been taken from it to the gold reserve of $100,000,000 that ought to be kept in the Treasury for the purpose of redeeming United States notes, and to hereafter segregate it from the ordinary current receipts of the Government. In support of this resolution Mr. Sherman made a notable speech on January 3, 1896, in which he declared deficiency of revenue to be the sole or controlling cause of our financial difficulties. "The President has mistaken the cause of our present financial situation," said he, "in attributing it to the demand for gold for United States notes instead of to the deficiency of revenue caused by the legislation of the last Congress. He places the effect before the cause. He proposes as a remedy the conversion of the United States notes and the Treasury notes into interest-bearing bonds, thus increasing the interest-bearing debt nearly $500,000,000. He proposes a line of public policy that will produce a sharp contraction in our currency, add greatly to the burden of existing debts, and arrest the progress of almost every American industry which now competes with foreign productions."

On the same day, Hon. Stephen B. Elkins, of West Virginia, offered a resolution directing that no bonds of the United States be sold hereafter at private sale or under private contract. The effect of its discussion apparently proved influential in causing a change in the policy of the Administration, to such an extent that the next sale of bonds was made after due advertisement and to the general public.

On January 8th a caucus of the Republican Senators

was held at which it was agreed to have the House tariff bill reported to the Senate favorably, and without amendment. But, on February 4th, the Committee on Finance reported a substitute, striking out the whole of the House bill and inserting in lieu thereof a bill providing for the free coinage of silver. Mr. Morrill, of Vermont, Chairman of the Finance Committee, attempted to have this bill considered, on February 13th, but his motion to take it up was defeated by a vote of 21 to 29. All of the affirmative votes were cast by Republicans, and all of the negative, except five, by Democrats—Mr. Jones, of Nevada, and Messrs. Carter and Mantle, of Montana, Mr. Dubois, of Idaho, and Mr. Teller, of Colorado, Republicans. On February 25th a motion to take up the bill was again defeated, yeas 22, all Republicans, nays 33, Democrats 23, Republicans 5, and Independents and Populists 6. The Republicans voting in the negative were Messrs. Cannon, of Utah, Carter and Mantle, of Montana, Dubois, of Idaho, and Teller, of Colorado, and the Independents and Populists, Messrs. Allen, of Nebraska, Peffer, of Kansas, Jones and Stewart, of Nevada, and Kyle, of South Dakota.

A new loan of $100,000,000 in four per cent. bonds, payable in coin, was advertised by the Government, ostensibly to maintain the gold reserve in the Treasury, which had fallen in January, 1896, to about $49,000,000. This swelled the aggregate of bonds authorized by the present Administration, in a time of peace, in less than three years, to $262,602,245.27. Bids were opened in the Treasury Department at Washington, on February 5th. It will be remembered that the Presi-

dent in November, 1894, had sanctioned the sale of bonds to the amount of $62,400,000, to run thirty years and bear four per cent. interest, to a syndicate of bankers at a premium of four and a half per cent. Four per cent. bonds, due in 1907, were then selling in the open market at 110. The new sale was, therefore, watched with much interest, and it demonstrated the credit of our Government among our own people, to the amazement of foreign observers. To quote from Public Opinion, a non-partisan and independent newspaper, the new bond sale disclosed the following facts:

"There were 4,640 apparently genuine bids, aggregating $568,269,850. The prices offered ranged from par to 120, the great mass of bids being from 110 to 112. The New York World's bid for $1,000,000 at 114 was the highest for any considerable amount. J. Pierpont Morgan, for himself and associates (the National City Bank, Harvey Fish & Sons, and the Deutsche Bank of Berlin), bid 110.6877 for the whole issue or any part thereof. John A. Stewart, President of the United States Trust Company, for himself and about 180 banks and financial institutions, bid 110.075 for $76,000,000. On February 7th, it was announced at the Treasury Department that bids aggregating $66,788,650 above 110.6877 had been received, and that the 780 persons making these bids would receive the bonds. The Morgan syndicate to have the remaining $33,211,350. The sale will net the Government about $111,000,000. The New York Tribune says that, excluding the Morgan syndicate, of the successful bids nearly $45,000,000 was from New York, nearly $9,000,000 from New England, about $5,500,000 from other

Eastern States, $3,000,000 from Central States and Canada, $3,200,000 from Western States, and $1,400,000 from Southern States. It is understood that one-fourth of the Morgan bonds will go to Berlin, but the Tribune estimates that not more than one-tenth of the successful bids were on European account. Two days after the opening of the bids, the Morgan syndicate was selling bonds of the new issue on the New York Stock Exchange for 116½ 'gold' Government four per cents of the same class as those just issued were selling at 116⅞ 'cash.' The Treasury gold reserve stood, on February 17th, at $44,483,186."

The New York Chamber of Commerce adopted a resolution recognizing "with grateful pride the confidence of the people in the financial strength of the country, as expressed by the large subscriptions to the Government loan," and declaring its belief "that the extraordinary success of this loan should dispel every doubt as to the ability and intention of the United States Government to redeem all its obligations in the best money of the world."

The sale proves conclusively that the financial strength and stability of the United States Government is without parallel throughout the world. It also demonstrates that the people are not deceived by deficiencies in the revenue to meet the expenditures of the Government. Granted a competent tariff policy, there would be neither deficits nor bond sales, but a return to an increase of the debt-paying power of the Government. Business would be revived and increased and prosperity again smile upon every section of the country.

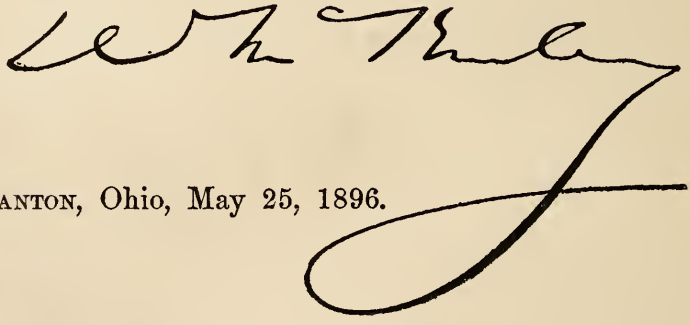
In concluding this lengthy but hastily prepared re-

view of our tariff legislation, covering a period of more than fifty years in our National history, it would be impossible for me to enumerate all the sources and authorities from which my data have been drawn. The Congressional Record has been constantly consulted, Benton's "Thirty Years View" referred to, and Blaine's masterly "Twenty Years in Congress" liberally drawn upon, for of all authorities on tariff legislation it is at once the most comprehensive, graphic, and entertaining. No student could dispense with that standard work, McPherson's "Handbook of Politics," and from it has been taken the record of many details of measures pending in or passed by Congress since the outbreak of the Civil War. Hon. Richard W. Thompson's "History of the Tariff" has been consulted, and Henry V. Poor's pamphlet, issued during the campaign of 1892, has also been of service. Special acknowledgment of indebtedness to Hon. Ellis H. Roberts' excellent work on "Revenue and Taxation" should be made, while no source of authority has been more frequently consulted than the several excellent political almanacs of the time, notably the American Almanac, edited by Mr. Spofford, Librarian of Congress, the New York Tribune Almanac, from Mr. Greeley's first publication of it to the present time, the encyclopædic New York World Almanac, and many others. The American Economist, Public Opinion, and Review of Reviews have also been frequently consulted. The language of many writers has been freely adopted, perhaps too literally in some cases, but the attempt has been made in every instance to acknowledge the source and author. The aim of the review is to be full, accurate and prac-

tical, to quote always the views and words of others rather than elaborate my own opinions. No source of authority to the student of to-day, the annals of Congress alone excepted, is so valuable in such work as this as the comprehensive, studious, and careful reviews of Congressional proceedings made each year for "Appleton's Annual Cyclopædia."

It has been my aim to present, as completely as possible, a review of proposed tariff legislation since the close of the Civil War to the present time, as well as a sketch of the measures actually enacted, to the end that the student may observe the trend and purpose of the leading political parties in respect to this economic question. It is perhaps impossible to write of these events without displaying to some extent partisan bias or preference, but it has been my honest endeavor to do justice to all who directly participated in them, or have written or spoken as "those who speak by authority" about them. Some subjects have been introduced that may at first appear foreign to a review of tariff legislation, but this has seemed necessary because a true presentation of the position of the several political parties upon kindred subjects, notably those relating to labor, immigration, and finance, often discloses more clearly than anything else could the real views of the opposing sides upon the main issue. But I have not undertaken to treat any of these subjects at length, or philosophically, simply to group together for the busy man, as a ready reference, what has been done, or proposed, by the two great political parties of the country. The matter is not, and could not be, strictly original; much herein contained has already been used

by myself, as well as presented more ably by others. The tariff question is just now commanding (and will always continue to command) the serious attention of the American people, until it is rightly settled. If I have, from contemporaneous history, or otherwise, aided in the slightest degree the honest inquirer who cares to contrast the past with the present, to compare history with actual daily experience—to the end that he may know the truth about the two great contending systems, and thereby reach right conclusions for his guidance in promoting the progress and prosperity of our country, I shall be glad. Ascertaining the truth, and dismissing from our minds all prejudice and preconceived opinions, let us have the wisdom and courage to be guided by it.



CANTON, Ohio, May 25, 1896.

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